

G R E A T  
L A K E S  
P R O T E C T I O N  
F U N D

# G R E A T L A K E S P O W E R C H A L L E N G E

R E Q U E S T  
F O R  
P R O P O S A L S

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## S U M M A R Y

The Great Lakes Protection Fund is inviting proposals for business plans that link retail competition in the restructured electricity markets to improved health for the Great Lakes ecosystem. The Fund will award up to \$2 million dollars to help implement one or more business plans that provide consumers scientifically sound and objective ways to use the health of the Great Lakes ecosystem as a criterion in their selection of electric power products and services.

The Fund will accept 3-5 page concept papers until December 1, 1997. Successful applicants will then be invited to submit full project proposals. The Fund anticipates a July, 1998 announcement of awards.

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## B A C K G R O U N D

The Great Lakes Protection Fund is a private, non-profit corporation formed in 1989 by the Governors of the Great Lakes States as a permanent, \$100 million environmental endowment. The Fund supports actions that enhance the health of the Great Lakes ecosystem. To accomplish its mission, the Fund seeks projects which address the interdependence of natural ecosystems and human economic systems. The Fund invests in efforts to help ensure that these systems are resilient, productive, diverse, and sustainable.

Changes in law and regulation will soon introduce competition to the retail markets for electrical power and services. The Fund wants to ensure that consumers can use improved Great Lakes ecosystem health as a criterion by which to evaluate and select their electric power products and services.

ELIGIBILITY AND  
PROJECT CRITERIA

For-profit and not-for-profit entities, private individuals, and governmental units are eligible for Fund support. Partnerships and collaboration among sectors and disciplines is encouraged.

Fund awards can be structured to best support the applicant's strategic vision; examples could include cash grants, loans, loan guarantees, equity stakes, etc. Provided that a project's environmental outcomes will benefit the Great Lakes ecosystem, neither the location of the applicant nor the location of the proposed actions will affect the Fund's willingness to consider a proposal.

The Fund expects that successful applicants will offer consumers an informative, objective, verifiable, and scientifically sound basis for relating their choices of electric power products and services to Great Lakes ecosystem health. The Great Lakes ecosystem includes the interacting components of air, land, water, and living organisms, including humans, in the States and Provinces bordering the Great Lakes. Applicants must address how their proposed actions will help to minimize stresses upon the ecosystem and restore damaged ecological components or processes.

The Fund seeks to support continuing improvements on behalf of the Great Lakes ecosystem; it does not expect to fund projects that eliminate all possible impacts from electrical power. It neither favors nor rejects any particular existing or future source, product, or service. However, the Fund will not support approaches that benefit the Great Lakes by increasing damage to other ecosystems.

It is the applicant's responsibility to convince the Fund that its proposed activity is workable and to time its implementation in accord with the pace of industry restructuring. If necessary, the Fund can adjust its award schedules to synchronize the applicant's activity with legislative change.

The Fund wants to encourage a broad array of innovative business strategies that will use ecosystem health as a criterion for designing, marketing and providing products and services. Accordingly, the following illustrate only a few possible areas of action:

- aggregating consumer demand for products or services;
- generating demand and capital for new energy sources or services;
- implementing efficiency or reduced demand strategies;
- improving existing sources or services;
- improving environmental outcomes associated with transmission, distribution or siting of facilities;
- linking habitat restoration or enhancement to the sale of electrical power.

The Fund's Request for Proposals is entirely supplementary and apart from legislative and policy initiatives being addressed at state and national levels. The Fund does not support lobbying, advocacy, or litigation. Fund support for a business plan does not imply an endorsement by the Governors. The Fund's Board will make all decisions concerning what awards, if any, are made pursuant to this Request for Proposals. All questions and comments should be directed to the Fund's offices; direct contacts to Board members or Governors are discouraged.

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FORMAT FOR  
CONCEPT PAPERS

A concept paper should be no more than five pages of text. No attachments are permitted. Staple a completed Applicant Information Cover Sheet to the front of each copy of the concept paper. Please submit six stapled copies of the entire package. Use no cover letters, covers, or binders. No fax or E-mail transmissions will be accepted.

All concept papers must be delivered to the Fund's offices before 5:00 pm on December 1, 1997.

Concept papers should address the following issues:

#### Environmental Outcome

Describe, as specifically as possible, the expected effect of the proposed activity on the Great Lakes ecosystem. Identify the scientific basis for the expected outcome, how the full plan will ensure that outcomes are achieved, and how ongoing monitoring will demonstrate the achievement of these goals.

#### Principal Strategies

In as much detail as possible, outline the work to be undertaken and the timetables to complete the proposed work. Please identify major project milestones. Identify the legal structure of the proposed business. Describe the key factors that will allow the enterprise to accomplish the environmental outcomes and succeed as a new venture.

#### Financial Plan

Identify the type of support sought from the Fund (cash grant, loan, equity position, etc.), the amount, the proposed schedule for Protection Fund pay-outs and the proposed schedule for the Protection Fund to recover its investment.

Identify the other sources of support of the project. To the extent possible, project the expected financial performance of the enterprise: for example, in the case of for-profit corporations, when the business will make a profit and what those profits are likely to be; for not-for-profit corporations, the anticipated costs and sources of revenue.

#### Key Personnel

List the names and qualifications of the project team. Identify relevant experience. All collaborating organizations should be identified.

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The Fund respects the confidentiality of concept papers and proposals, during both internal and external technical review. Applicants can indicate on the Cover Sheet whether the Fund may share the concept paper with other potential funders or other organizations.

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CALENDAR

*July, 1997*  
Request for Proposals

*December 1, 1997*  
Concept Paper Submission Deadline

*February, 1998*  
Full Proposals Invited

*April, 1998*  
Technical Review

*April-June, 1998*  
Resolution of Reviewers Comments

*July, 1998*  
Announcement of Awards