COMMERCE DEPARTMENT
DIVISION OF ENERGY RESOURCES

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Grant Request for Proposal Summary

Title of Grant Program/Opportunity: Geothermal Planning Grant – Round 2

Reference Number: COMM-GT02-20261123

Purpose

The Minnesota Department of Commerce ("Commerce") seeks proposals from eligible applicants for qualified geothermal planning projects throughout Minnesota for the Geothermal Planning Grant program. Commerce will distribute up to $450,000 in grants across Minnesota to examine the technical and economic feasibility of installing geothermal energy systems.

The Minnesota Legislature established the Geothermal Planning Grant Program in the 2024 legislative session, providing financial assistance to eligible applicants to examine the technical and economic feasibility of installing geothermal energy systems. Building upon the success of that funding round, Commerce obtained approval through the U.S. Department of Energy ("DOE") to support a new round of applications with funds awarded through the Infrastructure Investment and Jobs Act. Successful applicants will receive subawards through Commerce from the DOE through its SEP IIJA award DE-EE0010080, Assistance Listing Number 81.041.

Applicants should review the full RFP before submitting an application.

Topic	Description	RFP Page Number
Overview, Grant Description, and Purpose	The Minnesota Department of Commerce ("Commerce") seeks proposals from eligible applicants for qualified geothermal planning projects throughout Minnesota for the Geothermal Planning Grant program, Round 2. Commerce will distribute up to $450,000 in grants across Minnesota to examine the technical and economic feasibility of installing geothermal energy systems.	4
Eligible Applicants	**Applicant Eligibility:** Applicants must meet the eligibility requirements to be considered for this grant opportunity. An eligible applicant is defined as a county, statutory or home rule charter city, town, or other local government jurisdiction, or a federally recognized Indian Tribe in Minnesota. In addition, Minnesota public K-12 schools that operate as part of an independent or special school district or cooperative unit, as well as Tribal contract schools and Minnesota state colleges and universities under the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities, or	5 - 6

	a Minnesota-based non-profit organization under 501(c)(3) of the United States tax code are also eligible to apply. Each applicant can only submit one application. **System Eligibility:** "Geothermal energy system" means a system that heats and cools one or more buildings by using the constant temperature of the earth as both a heat source and heat sink, and a heat exchanger consisting of an underground closed loop system of piping containing a liquid to absorb and relinquish heat within the earth. Geothermal energy systems include: (1) a bored geothermal heat exchanger, as defined in Minn. Stat. §103I.005; (2) a groundwater thermal exchange device, as defined in Minn. Stat. §103I.005; and (3) a submerged closed loop heat exchanger, as defined in Minn. Stat. §103I.005.	
Amount available, award amounts, and key funding items	Activities that may be funded with a grant awarded under this section include: • analysis of the heating and cooling demand of the building or buildings that consume energy from a geothermal energy system; • evaluation of equipment that could be combined with a geothermal energy system to meet the building's heating and cooling requirements; • analysis of the geologic conditions of the substrate in which a geothermal energy system will operate, including the drilling of one or more test wells to characterize geologic materials and to measure properties of the earth and aquifers that impact the feasibility of installing and operating a geothermal energy system; and • preparation of a financial analysis of the project. Commerce has $450,000 to award. With a maximum grant amount of $100,000, we anticipate being able to award 4-5 grants.	4 - 5
Selection Criteria & Weight	Applications will first be reviewed to ensure that all minimum eligibility criteria are met. Once an application is deemed eligible, the selection committee will be reviewing each applicant on a 100-point scale.	6

Questions, Technical Assistance, Contact Information	**Question & Answer Opportunities** • Q & A Period Begins – Monday, November 23, 2026 • Q & A Period Ends – Friday, January 8,2027 • Last Q & A Posted – Friday, January 15, 2027 Questions can be sent to energy.contracts@state.mn.us	7
Application Format	The request for proposal (RFP) and application materials can be viewed through the Commerce RFP page. The RFP title is *COMM-GT02-20261123 Geothermal Planning Grant – Round 2.* Grant applications are only accepted through this portal.	8 - 9
Application Timelines	RFP Issued – Monday, November 23, 2026 Informational Webinar – Thursday, December 10, 2026 - 1:00 pm CST Register here Applications Due – Monday, January 25, 2027 Anticipated Notification – March 2027 Anticipated Full Execution & Work Begins – April 2027	12
Grant Implementation Requirements	Prior to Award • Agencies manage conflicts of interest and may require applicants to confirm their policies. • Risk assessments are required for grants of $50,000 or more, or any grant of any amount using federal funds. Active Award/Implementation: Payments: Grant payments are reimbursements based on eligible expenses. Monitoring: Grants of $50,000 - $249,999 require monitoring at least once during the grant period. Grants of $250,000+ require annual monitoring. Financial Reconciliation: Grants of $50,000+ require at least one financial reconciliation to be completed during the grant period. This activity could be combined and take place concurrently with the monitoring requirements described above. Reporting: All grants include reporting requirements detailed in the RFP. Post-award: • Agencies complete performance evaluations for all grantees within 60 days of completion of all grant activities.	12 - 14

	• Evaluations cover completion of activities, achievement of outcomes, compliance, and timeliness. • Evaluations for some grants (e.g. awards >$25,000) are posted publicly; grantees may submit responses to the agency. Additional details on grant life cycle implementation and policies can be found on the Office of Grants Management website: https://mn.gov/grants/grants-management/policies/	