

NOTICE OF FUNDING OPPORTUNITY (NOFO)

ONE RED Wastewater Treatment Facility Anaerobic Co-Digestion/Biogas Program

1. Funding Opportunity Overview

Funding Opportunity Title: Wastewater Treatment Facility (WWTF) Anaerobic Co-Digestion/Biogas Program

Issuing Agency: Nebraska Department of Water, Energy, and Environment

Announcement Date: May 8th, 2026

Application Deadline: June 12th, 2026

Total Funding Available: \$57,000,000

of Anticipated Awards: 2-4 awards

Project Period: Up to 36 months

2. Program Description

2.1 Purpose

The purpose of this program is to fund the development, expansion, and optimization of anaerobic digestion systems at wastewater treatment facilities (WWTFs) that incorporate the co-digestion of agricultural feedstocks.

Projects funded under this NOFO must advance:

- Organic waste diversion
- Collection and beneficial reuse of renewable natural gas (RNG) in conjunction with Greenhouse gas (GHG) emissions reduction

Eligible RNG use pathways include:

- Scrubbing and reuse of RNG onsite for power generation or heating
- Scrubbing and sale of RNG via pipeline injection
- Other beneficial reuse methods of RNG
- A combination of the above

The program prioritizes projects at wastewater treatment facilities that incorporate co-digestion of agricultural feedstocks, including manure and agricultural feedstocks.

Program Objectives

Funded projects are expected to:

- Increase renewable energy production via RNG in conjunction with Greenhouse gas (GHG) emissions reduction
- Expand WWTF capacity to process agricultural organic wastes
- Improve organic waste management and nutrient outcomes
- Support economic growth and infrastructure investment
- Strengthen distributed and resilient waste-to-energy systems

Eligibility

- Projects must be entirely within Nebraska.
- Entities must be in good standing with the Nebraska Secretary of State.
- The applicant must be in compliance with all State and Federal laws, regulations, and permits.
- The Applicant must commit to abide by and follow all state and federal subgrantee regulations, financial agreements, and reporting requirements

Eligible Applicants

Eligible applicants include:

- Publicly owned treatment works (POTWs)

Note: Private entities may participate as partners, contractors, or co-applicants but must be clearly identified.

3. Eligible Projects, Activities, and Costs

3.1 Eligible Project Types

- Construction of new anaerobic digesters at WWTFs
- Expansion or retrofit of existing digesters to enable co-digestion
- Installation of gas collection, capture, scrubbing, and upgrading systems

- Feedstock distribution, pre-processing, and storage systems
- Biogas utilization systems, including:
 - Combined heat and power (CHP)
 - Renewable natural gas (RNG) upgrading and interconnection

3.2 Project Requirements

- Project design must be approved by licensed professional engineer.
- The project must conform to all state and local ordinances and regulations and obtain any necessary permits. DWEE may require the applicant to submit project information to the Nebraska Game and Parks Commission using the Nebraska Conservation and Environmental Review Tool for review of potential impacts to threatened and endangered species, protected lands, and other natural resources.
- Project construction must be performed by licensed contractors.
- Project management and operations must be performed by licensed operators.
- Awardees must sign a project agreement with the Department outlining the project requirements prior to commencing work.
- Each anaerobic digester must be equipped with a system to temporarily flare produced biogas during brief periods when the biogas cleaning facility is offline and/or when cleaned gas cannot be delivered to the natural gas pipeline.
- The applicant must commit to keeping the equipment in good working order through the project lifespan.
- During the grant period, revenue generated from the sale of the renewable natural gas produced must be utilized for the maintenance and operation of the anaerobic digesters and biogas cleaning facility.
- Project environmental and safety measures must be approved by a licensed engineer and the Department.
- The funds must not be used to aid regulated entities to comply with EPA regulatory requirements.
- Infrastructure Projects must comply with Build America Buy America, Davis Bacon, and other pass-through requirements.

- During the term of the grant, the project operator will submit semiannual reports to DWEE. These reports shall include but not limited to the following:
 - the amount of waste processed at each digester
 - the amounts of biogas and renewable natural gas produced
 - the amount of digestate applied to agricultural land and the total area of application, if applicable
 - the number and duration of any flaring events
 - estimates of the greenhouse gas reductions being achieved
 - the amount of revenue earned from the sale of the renewable natural gas (if applicable), and how it was spent (i.e. program income)

3.3 Costs

Eligible Costs

- Engineering and design
- Equipment purchases and installation
- Construction and site preparation
- Interconnection costs (electric or gas)
- Workforce training related to project implementation
- Permitting and environmental review

Ineligible Costs

- Routine maintenance unrelated to project expansion
- Standalone systems not producing or utilizing RNG
- Costs not authorized under the approved work plan
- Costs incurred prior to award (unless explicitly authorized)

4. Funding Structure

- Funding will be provided as **grants**
- **Funding will be provided on a reimbursement basis**
- Minimum applicant cost share: **50%**

5. Application Requirements

Applicants must submit a complete application including the following components:

5.1 Project Narrative (Maximum: 10 pages)

Must include:

- Project description and objectives
- Current WWTF infrastructure and proposed upgrades
- Co-digestion approach and feedstock strategy
- Implementation timeline and milestones –
 - Demonstration of readiness to proceed
 - Ability to complete project August 2029
- Description of positive impact to economic growth

5.2 Technical Plan

- Engineer's estimated construction costs
- Description of digester and gas handling systems
- All sources of waste or wastewater, including agricultural sources
- Analysis of feedstock reliability and consistency
- Estimated annual gas generation (cubic feet per year)
- Description of positive impact on economic growth
- Uses of digestate materials
- Must include calculations accounting for flare losses
- Estimated annual hours of flare operation
- Method proposed for RNG use:
 - Onsite use
 - Pipeline injection

- Other reuse

5.3 Feedstock and Partnership Plan

- Identification of agricultural partners
- Feedstock supply agreements or letters of intent
- Types of agricultural feedstocks available
- Estimated volumes (annual and seasonal variability)

5.4 Budget and Financial Plan

- Detailed project budget (See Optional Budget Table [xlsx])
- Sources and uses of funds
- Cost share documentation
- Revenue projections

5.5 Environmental Benefits Analysis

- Estimated GHG emissions reductions
- Renewable energy generation (kWh, MMBtu, etc.)
- Waste diversion quantities (tons/year)
- Nutrient management improvements (e.g. digestate application plan)

5.6 Permitting and Regulatory Plan

- Required permits and approvals
- Status of permitting
- Anticipated timeline and risks

5.7 Additional Required Information

- Explanation of risks that could delay project operation

6. Regulatory Requirements

6.1 Build America, Buy America (BABA) In accordance with the Build America Buy America Act, all iron, steel, manufactured products, and construction materials must be produced in the United States unless a waiver is granted.

6.2 Environmental Review Projects must undergo environmental review consistent with: National Environmental Policy Act or State Environmental Review Process (SERP) approved by EPA.

6.3 Disadvantaged Business Enterprise (DBE) Requirements Applicants must comply with EPA DBE requirements under 40 CFR Part 33, including good faith efforts to solicit minority- and women-owned businesses.

6.4 Davis-Bacon Act All construction projects must comply with prevailing wage requirements under the Davis-Bacon Act.

6.5 National Historic Preservation Act

6.6 Archeological and Historical Preservation Act

6.7 Compliance with all federal cross-cutting requirements
<https://www.epa.gov/grants/epa-subaward-cross-cutter-requirements>

6.8 Awardees to follow 2 CFR §§200.318 through 200.327 for procurement

6.7 Any contracts for services or products funded with EPA financial assistance must be awarded under the competitive procurement procedures of 2 CFR Part 200 and/or 2 CFR Part 1500, as applicable

7. Evaluation Criteria

Applications will be evaluated based on the following:

Criterion

- **Technical Merit: Ability to complete project by deadline and readiness to proceed**
- **Positive impact on community economic growth**
- **Consistency with Grant Program Objectives**
- **Partnerships and Biogas Feedstock Security**
- **Cost-share match commitment**

8. Submission Instructions

Application Submission Deadline: Application packages must be submitted electronically to DWEE.ONERED@nebraska.gov no later than **June 12, 2026, at 11:59 p.m. (CST)** in order to be considered for funding.

- **File Format:** PDF, Excel

9. Timeline

- NOFO Release: May 8th, 2026
- Applications Due: June 12, 2026
- Award Date: Awards are expected to be made in August 2026 contingent upon the timely completion of evaluations and approval of DWEE workplan.

10. Agency Contacts

For programmatic and technical questions can be sent to dwee.onered@nebraska.gov

or

Phone – 402-471-2186

11. Special Considerations

- Funding is contingent upon availability of appropriations and approval of EPA workplan.
- The Agency reserves the right to:
 - Modify or cancel this NOFO
 - Award partial funding
 - Negotiate scope and budget