

The potential is focused on the development and application of new geoscientific and engineering concepts in high oil/gas potential basins on public lands and waters. Technology is needed to increase accuracy and resolution of seismic and other geological and geophysical methods. New methodology is solicited for interpretation and integration of multiple technology, and data sets into refined geologic and engineering models that guide discovery of new oil reserves, oil field development, and management for maximum economic oil recovery.

DOE currently has available \$3.5 million for this Program Solicitation (PS) and the proposed budget for this program over 5 years is \$23.5 million of DOE support. The total program of PRIME may be \$30 million for a period of 7–10 years. It is anticipated that between 10–20 cost-shared awards, with a *total* project value estimated at \$1.0 million to \$1.5 million each (i.e., DOE share of project costs estimated at between \$750K–\$1,000K), will be made under this solicitation. The applicant must cost share a minimum of 20% of the total project cost. Projects must be structured with two (2) phases (i.e., Budget Periods) which include: idea and/or concept development (Budget Period 1) and initiation of proof-of-concept activities (Budget Period 2).

The research conducted in this program will provide support for foundation-building R&D in universities and the national laboratories and maintain the leadership of the United States in oil and gas technologies. It is envisioned that a teaming of expertise from academic, private research organizations, state and federal agencies in collaboration with industry may be needed to focus efforts on overcoming key scientific and engineering hurdles. Applications submitted by or on behalf of (1) another Federal agency; (2) a Federally Funded Research and Development Center sponsored by another Federal agency; or (3) a Department of Energy (DOE) Management Operating (M&O) contractor will not be eligible for award under this solicitation. However, an application that includes performance of a portion of the work by a DOE National Laboratory and/or M&O contractor will be evaluated and may be considered for award subject to the provisions to be set forth in Program Solicitation DE–PS26–02NT15375. (**Note:** The limit on participation by a National Laboratory and/or M&O contractor for an individual project under this solicitation cannot exceed 25% of the total project cost).

Once released, the solicitation will be available for downloading from the IIPS Internet page. At this Internet site you will also be able to register with IIPS, enabling you to submit an application. If you need technical assistance in registering or for any other IIPS function, call the IIPS Help Desk at (800) 683–0751 or E-mail the Help Desk personnel at IIPS_HelpDesk@e-center.doe.gov. The solicitation will only be made available in IIPS, no hard (paper) copies of the solicitation and related documents will be made available.

Prospective applicants who would like to be notified as soon as the solicitation is available should subscribe to the Business Alert Mailing List at <http://www.netl.doe.gov/business>. Once you subscribe, you will receive an announcement by E-mail that the solicitation has been released to the public. Telephone requests, written requests, E-mail requests, or facsimile requests for a copy of the solicitation package will not be accepted and/or honored. Applications must be prepared and submitted in accordance with the instructions and forms contained in the solicitation. The actual solicitation document will allow for requests for explanation and/or interpretation.

Issued in Pittsburgh, PA, on May 3, 2002.

Dale A. Siciliano,

Deputy Director, Acquisition and Assistance Division.

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DEPARTMENT OF ENERGY

National Energy Technology Laboratory; Notice of Availability of a Financial Assistance Solicitation

AGENCY: National Energy Technology Laboratory, Department of Energy (DOE).

ACTION: Notice of availability of a Financial Assistance Solicitation.

SUMMARY: Notice is hereby given of the intent to issue Financial Assistance Solicitation No. DE–PS26–02NT41488 entitled Gas Storage Program. The Department of Energy's (DOE's) National Energy Technology Laboratory (NETL), through the Strategic Center for Natural Gas (SCNG), is conducting this solicitation to competitively seek cost-shared applications for research and technology development efforts to enhance operational flexibility and deliverability of the Nation's gas storage system, and provide a cost-effective, safe, and reliable supply of natural gas

to meet demand in new and expanded market regions.

DATES: The solicitation will be available on the "Industry Interactive Procurement System" (IIPS) Web page located at <http://e-center.doe.gov> on or about May 8, 2002. Applicants can obtain access to the solicitation from the address above or through DOE/NETL's Web site at <http://www.netl.doe.gov/business>.

FOR FURTHER INFORMATION CONTACT:

Debra A. Duncan, MS 921–107, U.S. Department of Energy, National Energy Technology Laboratory, 626 Cochran's Mill Road, P.O. Box 10940, Pittsburgh, PA 15236–0940, E-mail Address: duncan@netl.doe.gov, Telephone Number: 412–386–5700.

SUPPLEMENTARY INFORMATION: The Gas Storage Program supports the Strategic Center for Natural Gas' 2020 Vision of the U.S. public enjoying benefits (affordable supply, reliable delivery, and environmental protection) from an increase in gas use. Most natural gas consumed in the U.S. is not produced in the areas where it is most needed. To get gas to the customers, the Nation uses 1.5 million miles of natural gas pipelines capable of moving 111 billion cubic feet (Bcf) of gas daily. However, the amount of gas needed varies at time scales much shorter than can be accommodated by the production and pipeline systems. In general, demand varies seasonally, but the exact timing and magnitude of peak demand is largely determined by the weather, and is therefore unpredictable. As a result, gas is injected into more than 400 storage reservoirs, located near the points of demand, each year from April through October. Roughly 3.8 trillion cubic feet (Tcf) of storage gas is available to help meet peak demands. Pipelines and storage work together to comprise a natural gas distribution system that efficiently balances the need for steady year-round production with seasonal variation in use.

All projections of the Nation's near-term energy future call for increased use of natural gas. Gas consumption, now roughly 22 Tcf per year, could grow to more than 30 Tcf per year by 2015. As much as 50 percent of the new gas demand will come from the electric-generation sector, as new plants capitalize on the economic and environmental benefits of gas. This expansion in both the volume and nature of gas use will place significant new burdens on the Nation's pipeline and gas storage systems. These challenges require significant investment in R&D at a time when the gas industry is focusing on reducing

costs and improving profits in a competitive marketplace. The goal of the transmission and storage work at NETL is to develop the technologies needed to ensure both the reliability and flexibility of the Nation's critical gas distribution infrastructure as it adapts to changing supply and demand characteristics.

Research in gas storage conducted at NETL focuses on two main issues. First, NETL works cooperatively with storage operators to demonstrate technologies to preserve and improve the deliverability of existing conventional underground storage reservoirs. This work focuses on technologies to limit and remediate the progressive damage caused by the repeated injection and withdrawal of gas, as well as innovative management techniques that can maximize performance. Second, not all areas of high gas demand possess natural underground reservoirs that can support the local storage needs. Therefore, NETL is working to develop advanced storage concepts that utilize man-made structures such as underground mined caverns and other non-traditional means that can be located where needed.

The objective of the National Energy Technology Laboratory's (NETL's) Natural Gas Storage program, and this solicitation, is to encourage and support research and technology development to advance natural gas storage, transmission, and distribution technologies to enhance operational flexibility and deliverability of the Nation's gas storage system, and provide a cost-effective, safe, and reliable supply of natural gas to meet demand in new and expanded market regions. To achieve program objectives, DOE/NETL, through the Strategic Center for Natural Gas, is requesting applications addressing, but not limited to, the following topics: (1) Thin-bedded salt cavern design technology—seeks proposals to investigate long-term geotechnical integrity of bedded salt cavern designs. The ability to develop stable gas storage caverns in thinly bedded salt could have implications for new storage capacity in the Eastern, Northeast, and Midwest United States. Proposed research could include geologic analysis, failure analysis and definition, and improved geotechnical design to mitigate possible failure; (2) Liquefied Natural Gas (LNG) Applications in Gas Storage—seeks proposals to investigate applications of LNG for conventional storage and distributed, or peaking power generation; (3) Hydrate Control—seeks proposals for control of natural gas hydrates formed in storage wells and gathering lines during rapid withdrawal

operations; and (4) Deliverability enhancement—seeks proposals that will increase deliverability from aquifers and depleted oil and gas reservoirs. This could include “smart” storage systems that will optimize storage field operations.

Proposed approaches are anticipated to develop new or novel technologies, or suggest innovative applications of existing technologies. Efforts can encompass any combination of theory, laboratory validation of concepts, or field validation of concepts. The overall goal of this solicitation shall be to work toward a demonstration of the technology at a commercially scalable size.

DOE anticipates multiple cooperative agreement awards resulting from the solicitation and no fee or profit will be paid to a Recipient or Subrecipient under the awards. However, the Government reserves the right to fund, in whole or in part, any, all, or none of the applications submitted in response to this solicitation and will award that number of financial assistance instruments which serves the public purpose and is in the best interest of the Government. At current planning levels, and subject to the availability of funds, DOE expects to provide up to approximately \$700,000 over the life of the projects to support work under this solicitation. This particular program is covered by section 3001 and 3002 of the Energy Policy Act (EPAct), 42 U.S.C. 13542 for financial assistance awards. EPAct 3002 requires a cost-share commitment of at least twenty (20) percent from non-Federal sources for research and development projects. Cost sharing must meet the requirements of 10 CFR 600.123 and 10 CFR 600.224. Allowable costs for cost sharing shall be in accordance with 10 CFR 600.127 and 10 CFR 600.222. The particular program is also covered by Section 2306 of EPAct, 42 U.S.C. 13525 for financial assistance awards. In order for a company to be eligible for an award under this solicitation, the Applicant must be a United States-owned company. If the Applicant is not a United States-owned company, it must be incorporated or organized in a foreign country that affords treatment to United States-owned companies that is comparable to treatment the United States affords foreign-owned companies. This eligibility requirement also applies to all companies participating in any joint venture, “team” arrangement, or as a major subcontractor. The solicitation will contain as part of the application package the applicable EPAct representation form(s). Applications which include performance of Federal

agencies and agents (i.e. Management and Operations (M&O) contractors and/or National Laboratories) as a subcontractor will be acceptable under this solicitation if the proposed use of any such entities is specifically authorized by the executive Federal agency managing the M&O or National Laboratory, and the work is not otherwise available from the private sector. Such work, if approved, would be accomplished through a direct transfer of funding from the NETL to the M&O contractor and/or National Laboratory. Even though participation of an M&O and/or National Laboratory may be appropriate, their participation cannot exceed forty-nine (49) percent of the Applicant's total estimated project cost. The Government anticipates the maximum project period of twenty-four (24) months. This however does not preclude projects of a longer or shorter duration. Awards will have annual budget periods. Each annual budget period shall contain “continuation decision points.” Once released, the solicitation will be available for downloading from the IIPS Internet page. At this Internet site you will also be able to register with IIPS, enabling you to submit an application. If you need technical assistance in registering or for any other IIPS function, call the IIPS Help Desk at (800) 683-0751 or E-mail the Help Desk personnel at IIPS_HelpDesk@e-center.doe.gov. The solicitation will only be made available in IIPS, no hard (paper) copies of the solicitation and related documents will be made available.

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Dale A. Siciliano,

Deputy Director, Acquisition and Assistance Division.

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