

**Proposed Agreement between California Energy Commission  
and  
The Regents of the University of California, National Fuel Cell  
Research Center**

**Title:** Development and Demonstration of a Novel High-Temperature Fuel Cell Absorption Chiller CCHP System  
**Amount:** \$1,480,000.00  
**Term:** 39 months  
**Contact:** Rizaldo Aldas  
**Committee Meeting:** 8/18/2010

### Funding

FY	Program	Area	Initiative	Budget	This Project	Remaining Balance	
09	Electric	EPAG	CCHP	\$3,500,000	\$1,030,000	\$68,140	2%
09	Natural Gas	EPAG	Develop energy efficient, cost effective, safe, clean, durable, and reliable CHP and DER technologies	\$1,000,000	\$450,000	\$0	0%

### Recommendation

Approve the template change in Task 1.6 (matching funds) of the Work Statement and re-affirm this Agreement with the Regents of the University of California, National Fuel Cell Research Center - University of California at Irvine (NFCRC-UCI) for \$1,480,000.00. This revision of Task 1.6 will not change the scope of work, budget, and the proposed term of the agreement. Staff recommends placing this item on the consent calendar of the Commission Business Meeting.

### Issue

This project was approved at an RD&D Committee meeting on September 24, 2009 and then at a Business Meeting on March 10, 2010. However, the Agreement was not fully executed because the grant recipient requested flexibility with the requirements of the Work Statement section Task 1.6 - Identify and Obtain Matching Funds. Specifically, UCI requested to modify the language of Task 1.6 as follows:

- Delete the sentence "Match funds shall be spent concurrently or in advance of PIER funds for each task during the term of this Agreement."
- Add the phrase "Unless an exception is approved by the Commission Contract Manager in writing" before the sentence "Match funds must be identified in writing and the associated commitments obtained before the Recipient can incur any costs for which the Recipient will request reimbursement."

Other than these modifications in the language of Task 1.6, the Work Statement revision will not change the scope of work, budget and the proposed term of the agreement. The Energy Commission Legal and Grants Office believed that the proposed changes in Task 1.6 are significant and require Commissioners' approval at a Business Meeting.

## **Background**

This project will proactively accelerate the deployment of high-temperature fuel cell/absorption chiller technology into the California market by developing, demonstrating, and commercializing an optimized integrated high-temperature fuel cell/absorption chiller system design. The technology will recover the high quality heat from a high-temperature fuel cell through absorption chilling.

The project was presented and approved at an RD&D Committee meeting and at a Business Meeting, but before the Agreement can be fully executed, the recipient requested to modify the stipulations in section Task 1.6 of the Work Statement. This section is a template or standard language required of all grant projects to ensure that the match funds planned for an agreement are obtained for and applied to the agreement during its term. It requires that the match funds be spent concurrently or in advance of PIER funds for each task during the term of the agreement. It further requires that match funding commitments are properly documented prior to incurring costs for which the recipient will request reimbursement. Because of the nature of its two funding sources, namely, Third Party Provider and the Self-Generation Incentive Program, the recipient will not be able to comply with the standard requirements mentioned earlier for Task 1.6.