

## Program Opportunity Notice (PON)

### Questions and Answers for PON -11-502

Q: Since this PON is restricted to private entities, is there a maximum percentage of the budget that can be spent by subcontractors that are public entities?

A: There is no stated limit, but page 7 of the PON states the following: “the primary private entity must be heavily involved in the research activities and not mainly perform administrative and/or coordination activities.”

Q: Is a proposal in which the applicant is performing primarily organizational and administrative functions eligible to apply for this PON?

A: Page 7 of the PON states the following: “the primary private entity must be heavily involved in the research activities and not mainly perform administrative and/or coordination activities.”

Q: Can sample proposals be sent to potential applicants?

A: Proposals from past solicitations are considered public records and can be requested by contacting Crystal Presley-Willis ([cpresley@energy.state.ca.us](mailto:cpresley@energy.state.ca.us)). Please be aware that past PONs had different proposal requirements and guidelines than the current PON.

Q: Is the table for calculating average loaded rates a separate attachment?

A: The table is part of the budget forms (Attachment D).

Q: When should we expect the projects to start?

A: Approval of the grant agreements at an Energy Commission Business Meeting is expected to occur no later than June, 2012, and the planned start date for a project should be 4-6 weeks after Business Meeting approval.

Q: Is the limit for resumes two pages total or two pages per resume?

A: The limit is two pages per resume.

Q: Can you clarify the Statement of Work page limit?

A: As stated on page 13 of the PON, the Statement of Work may not exceed 5 pages, excluding the boilerplate template language. In other words, the five-page limit does not include Task 1 (Administration). The Task 1 boilerplate template language should not be changed.

Q: Can an organization or an individual submit multiple proposals?

A: The "Eligible Applicants" section on page 7 discusses this issue. An individual cannot submit more than one proposal. Multiple proposals can be submitted by an organization, but the principal investigator must be different for each proposal.

Q: Can you clarify the California-Based Entity (CBE) role in the Scoring Criteria?

A: The CBE requirement is not part of the Scoring Criteria. Instead, it is a pass/fail criterion. At least 60% of the PIER funds must go to CBEs.

Q: Can you clarify Scoring Criterion 6?

A: Scoring Criterion 6 is solely based on the percentage of PIER funding that will be spent in California. The proposal must clearly document the percentage of PIER funds that will be spent in California. A score of zero to ten will be earned based on the following formula:

$$\text{Score} = (0.25 \times \% \text{ of PIER money spent in California}) - 15$$

A weighting factor of two will be applied to the score so that a maximum of 20 points is possible for Scoring Criterion 6. If the amount of PIER money spent in California is 60% or less, the project will earn zero points for Scoring Criterion 6.

Q: For Research Topic 2, is there a preference for research emphasizing water savings vs. thermal efficiency for hybrid cooling?

A: No, there is no preference.

Q: Since the California Secretary of State does not register sole proprietors, how can a sole proprietor comply with the California-Based Entity requirement?

A: Complete the CBE form (Attachment J) as completely as possible and provide a copy of a business license or other documentation that shows that the sole proprietor is operating in California.

Q: What are the limitations on intellectual property rights?

A: Please review the PIER Grant Terms and Conditions (Attachment N). The terms and conditions will be part of all grant agreements that result from this PON. Page 26 (of 41) of the terms and conditions discusses intellectual property.

Q: Regarding Research Topic 4, is there a volume threshold for amount of CO<sub>2</sub> used?

A: There is no specific threshold.

Q: Where should one include the required justification for average loaded rates?

A: The justification should be included in the proposal narrative addressing the scoring criterion 3 in Attachment H.

Q: Is a major subcontract defined by the total funds requested or by the budget for a specific task? For example, if a subcontractor received 25% or more of the funds requested under Task 2 but less than 25% of the total requested funds, would they be considered a major or minor subcontractor?

A: Major and minor contractors are determined by the percentage of the total PIER funds requested that would go to that subcontractor. The percentage of funds allocated to specific tasks is not considered in determining major and minor subcontractors.

Q: Does an out-of-state entity have to be registered to do business in California before submitting the proposal or can we agree to register immediately after being awarded? My reason for asking is that I am with a startup, and registering to do business in California is costly. Typical LLC or Corporation licensing fees are \$1100/year.

A: Registration with the California Secretary of State (SOS) is not required for a proposal to be considered, but all awardees are required to register and be in good standing with the SOS in order to enter into a funding agreement with the Energy Commission. All agreements must be in place by June 2012. Also, please note the requirement that 60% of PIER funds must go to California Business Entities.

Q: A key part of my project involves a demonstration using a piece of equipment that is normally used in compound semiconductor manufacturing. However, we are not sure if we will be able to get a machine delivered to us within six months of the solicitation. Am I correct that we have exactly six months to begin the project once the award is announced?

A: Grant agreements are expected to take effect no later than June 2012, but it is not necessary for equipment for the project to be purchased within a specific time frame. However, the maximum project duration is 33 months, and projects must be completed by March 31, 2015.

Q: My company's technology completely breaks the CO<sub>2</sub> bond prior to the exhaust stack. The byproducts are O<sub>2</sub> and carbon black. This technology would also remove NO<sub>x</sub> and SO<sub>2</sub>. The language of the grant seems to focus on the fact that power plants will install CO<sub>2</sub> collection systems, pressurize it and then try to give it away to aftermarket users. The grant tends to imply that it is intended to develop uses for this collected CO<sub>2</sub>. But there is language that also says "convert CO<sub>2</sub> in power plants into useful products." I would like to argue that this technology meets that definition and pure carbon black is a useful byproduct. Would this type of technology be eligible to apply for funding?

A: The Public Opportunity Notice (PON) clearly indicates that proposed projects that would demonstrate technologies or techniques that would convert carbon dioxide from the exhaust of power plants into useful product(s) are eligible. A technique that would convert carbon dioxide to carbon black and oxygen resulting in net reductions to the carbon dioxide emissions is eligible.

Q: Are you interested in a process that converts captured CO<sub>2</sub> into chemicals? Your examples of utility of what to do with captured CO<sub>2</sub> did not include any example of captured CO<sub>2</sub> being turned into a chemical.

A: Yes, projects that would demonstrate technologies or techniques that would convert carbon dioxide from the exhaust of power plants into useful product(s), including chemicals, are eligible.

Q: In consideration that other gasses besides CO<sub>2</sub> are expelled, will you entertain a proposal for recycling other gasses in addition to CO<sub>2</sub> -- such as ammonia, and heat, etc? There are significant benefits to the public for recycling other gasses besides CO<sub>2</sub>. The other gasses are used for manufacturing compound semiconductors, and recycling the other gasses would significantly lower the cost of manufacturing, and reduce the need to produce CO<sub>2</sub>.

A: No, the PON is seeking proposals that could be applied to power plants in California converting the carbon dioxide emitted with the flue gases into a useful product and/or service.

Q: Will you allow a demonstration that is outside of California, but with the understanding that all manufacturing is done in California?

A: Demonstration sites must be located in California, and the proposal should provide details on the demonstration site if one has been identified.

Q: As listed in the Application Manual, "Projects have a maximum duration of 33 months and must be completed by March 31, 2015." Please provide clarification on the terms "duration" ("project term" in other locations) and "completed." Specifically, if engineering/permitting is complete and construction ongoing by March 2015 would the Project be eligible for the award?

A: No, the projected must be completed and all PIER funds expended by March 31, 2015.

Q: Please provide clarification on the exemption from CEQA (Section 11 of Application) and if a Project is not exempt, the implications for eligibility if the Project does not receive a CEQA ruling before the application deadline of January 31, 2012?

A: Projects do not need to have completed all CEQA requirements by the application submittal deadline, but potential CEQA compliance issues should be addressed in the proposal and should be considered in determining the project schedule.

Q: Item 11 on page 45 indicates that at least 60% of PIER funds are required to go to CBEs in order for proposals to pass the initial screening, but other references indicate CBE preference points are optional. Is the 60% minimum a requirement? Also, please provide more explanation on the meaning of "substantially performs the research within California" (as used in Attachment I) and what qualifies as spending PIER funds in California. For example, if field data is collected from projects sited in state, and a CBE's subcontractor plans to perform some of the data analysis in an out-of-state office, how should the "funds spent" be calculated?

A: Regarding CBE spending, it is required that at least 60% of PIER funds go to CBEs for proposals to be considered for funding. Expenditures in CA include items such as: 1) purchase of equipment or materials from CA based companies; 2) expenditures for field work in California such as travel expenses; 3) salaries for people located in California; and 4) travel expenses for meetings in California. Out-of-state work such as analysis of field data collected in California does not count as expenditures incurred in California.

Q: Please provide further explanation on how the Average Loaded Hourly rates (ALR) should be calculated. While Attachment D-6 shows Loaded Rates Calculation, it does not specify how these rates should be averaged and if any other budget items will be taken into consideration.

A: An amended Attachment D-6 will be posted which includes details for calculating ALR.

Q: Do matching funds factor into the scoring? Page 9 states that proposal having a greater proportion of match funds are more desirable, however match funds are not directly addressed in Attachment H.

A: The Scoring Criteria will be amended so that match funding will be considered as part of Scoring Criteria 3.

Q: Do you require matching funds of a certain % and from what sources? This was not clear to me on first read. I did gather that having such funds made the grant more competitive, but it was not clear if it was mandatory and to what extent.

A: There is no required minimum percentage for match funds, but the Scoring Criteria will be amended so that match funds will be specifically considered as part of Scoring Criterion 3.

Q: Page 23 states "Applicants can propose to delete or modify Task 1.8, "Establish the PAC", and Task 1.9, "Conduct PAC Meetings". However, the PAC is not mentioned in Attachment B or elsewhere. Can PIER funds be spent on an advisory committee, composed of either technical experts or interested stakeholders, under Topic 1?

A: Yes, PIER funds can be spent on an advisory committee.

Q: Can the participants of the workshop be published so we can connect for collaboration?

A: PIER does not have a complete list of workshop participants.

Q: If the proposed matching fund is all in-kind labor, do we enter "zero" on Attachment A, line 6, "Cash match funding provided"? Or is this a cash-equivalent amount that we enter here?

A: Attachment A, line 6 should only include actual cash match funding. In kind match funding such as labor should not be included on Attachment A, line 6. However, in kind match funding should be documented in the budget documents and described elsewhere in the proposal.

Q: Will you fund a process that is under test and operating right now in cement plant, or, will you only fund work at a coal-fired power plant. In principle, the process should operate at both and, cement manufacture is in fact a major contributor to CA CO<sub>2</sub> emissions.

A: Yes, a process that is operated at a cement plant would be acceptable.

Q: As mentioned during the workshop last week, could we receive a sample of (successful) proposal as a guideline for our submission as well as a “letter of intent” for demonstration site.

A: Sample proposals can be requested by contacting Crystal Presley-Willis. A “letter of intent” for a demonstration site is simply a letter indicating that some level of commitment has been obtained for a demonstration site for the project. It is not required to have a demonstration site finalized, but projects with greater certainty as to the location of the project are generally preferred.