

GRANT SOLICITATION

**Alternative and Renewable Fuel  
and  
Vehicle Technology Program**

**Solicitation Number  
PON-11-601**

**Subject Area:  
Biofuels Production Facilities**

**APPLICATION PACKAGE**

January 11, 2012



Edmund G. Brown Jr., *Governor*

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# **GRANT SOLICITATION AND APPLICATION PACKAGE**

## **Alternative and Renewable Fuels and Vehicle Technology Program**

### **Subject Area: Biofuels Production Facilities**

**1. Release Date:**

January 11, 2012

**2. Proposal Due Date:**

February 21, 2012, by 4 p.m.

**3. Purpose:**

This is a competitive solicitation for Grant Funding.

The Energy Commission is seeking proposals to provide funding for the development of new, California-based biofuel production facilities that can sustainably produce low carbon transportation fuels.

The intent of this solicitation is to encourage production of alternative and renewable transportation fuels in California that can significantly reduce greenhouse gas (GHG) emissions and petroleum fuel demand, and stimulate economic development in the state.

Funding will be available for new, low carbon facilities, or for projects that lower the carbon intensity of fuels produced at existing facilities. Projects must demonstrate economically competitive yields and lower GHG potential than Low Carbon Fuel Standard (LCFS) pathways for corn ethanol or soy biodiesel.

**4. Availability of Solicitation Documents and Information:**

This solicitation and all supporting documents and forms can be found at [\[http://www.energy.ca.gov/contracts/index.html\]](http://www.energy.ca.gov/contracts/index.html) under "Current Solicitations." Interested parties may also sign on to the electronic mailing list on this webpage to be notified of any changes to this solicitation. For those parties without Internet access, copies of this solicitation can be obtained by contacting:

California Energy Commission  
Grants and Loans Office  
1516 Ninth Street, MS-1  
Sacramento, CA 95814  
Telephone: (916) 654-4381

Interested parties may also request to be added to the mailing notification list to receive changes made to this solicitation.

## 5. Background:

Assembly Bill 118 (Núñez, Chapter 750, Statutes of 2007), created the Alternative and Renewable Fuel and Vehicle Technology Program. The statute, subsequently amended by AB 109 (Núñez, Chapter 313, Statutes of 2008), authorizes the Energy Commission to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies. The Energy Commission has an annual program budget of approximately \$100 million and provides financial support for projects that:

- Develop and improve alternative and renewable low-carbon fuels;
- Optimize alternative and renewable fuels for existing and developing engine technologies;
- Produce alternative and renewable low-carbon fuels in California;
- Decrease, on a full-fuel-cycle basis, the overall impact and carbon footprint of alternative and renewable fuels and increase sustainability;
- Expand fuel infrastructure, fueling stations, and equipment;
- Improve light-, medium-, and heavy-duty vehicle technologies;
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets;
- Expand infrastructure connected with existing fleets, public transit, and transportation corridors; and
- Establish workforce training programs, conduct public education and promotion, and create technology centers.

The statute requires the Energy Commission to adopt and update annually an investment plan to determine funding priorities and opportunities and describe how program funding will be used to complement other public and private investments. The Energy Commission adopted its most recent investment plan on September 7, 2011. A link to the 2010-2011 and 2011-2012 *Investment Plans for the Alternative and Renewable Fuel and Vehicle Technology Program* (CEC-600-2010-001-CMF, CEC-600-2011-006-CMF) can be found at <http://www.energy.ca.gov/altfuels/index.html>

## 6. Eligible Projects:

Funding will be available for new, low carbon biofuel production facilities, or for projects that lower the carbon intensity of fuels produced at existing biorefineries. Projects must demonstrate lower GHG potential than referenced in the LCFS pathways on the California Air Resources Board (ARB) website<sup>1</sup> for corn ethanol or soy biodiesel.

Project construction and operations work must occur in California with the exception of any work performed at federal facilities such as the US Department of

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<sup>1</sup> <http://www.arb.ca.gov/fuels/lcfs/lcfs.htm>

Energy's National Laboratories and Technology Centers and US Department of Agriculture's Research Centers.

### Eligible Biofuels

The following biofuels are eligible if produced for transportation purposes:

- Diesel substitutes, such as renewable diesel and biodiesel. Eligible feedstocks for diesel substitutes are waste-based biomass and purpose grown crops with a carbon intensity substantially lower than soy (83.25 gCO<sub>2</sub>-eq/MJ).
- Gasoline substitutes such as ethanol, biobutanol, and renewable gasoline. Eligible feedstocks for gasoline substitutes are waste-based biomass and purpose grown crops with a carbon intensity substantially lower than current average California produced ethanol using Midwest corn feedstocks (80.7 gCO<sub>2</sub>-eq/MJ). Corn grain is NOT an acceptable feedstock.
- Biomethane. Eligible feedstocks for biomethane are **pre-landfilled** waste-based biomass sources including but not limited to agricultural residues, woody biomass and forest residues, animal manures, food waste, and municipal solid waste (MSW) (if using MSW as a feedstock, only the biogenic<sup>2</sup> fraction of the waste stream is eligible).

### Types of Projects

This solicitation covers project activities in three development stages. Applicants must identify on the Cover Page and in the proposal which stage applies to the proposed project (select only one):

#### Stage 1: Early Technology Development

This category includes projects that are in the early technology through proof-of-concept stage of development. This category includes research and development and is characterized by the design and testing of technology-prototype, development of the company, and improvements to intellectual property. Potentially funded activities include:

- Pre-engineering, design studies, and feasibility study reports.
- Performance tests, material assessments and other technical studies to verify product or equipment operating characteristics, equipment integrity, market applications, and compliance with regulations, standards and/or protocols.

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<sup>2</sup> ASTM International standard for determining biogenic content of MSW as proposed in the California Cap and Trade Regulations (§95115(e)) by reference to the Code of Federal Regulations 40 CFR 98.33(e)(3).

- Biofuel production and conversion methods or laboratory/bench-scale tests to refine or improve processes, intellectual property, and prototype construction.
- Field test plots/sites to evaluate feedstock performance, conversion technologies, plant varieties, water use, per acre costs, yields, and returns, energy consumption, soil suitability, and feedstocks grown on marginal or abandoned agricultural land.
- Economic, technical, and strategic plan feasibility and studies needed to evaluate biofuel production, economic, market and environmental impacts.

### Stage 2: Pilot and Demonstration Facilities

This category includes projects that propose pilot and/or demonstration production facilities. This stage is characterized by proving a technology or process in the field, developing the first pilot or demonstration facility at a site specific location, product development, and developing markets for the technology. Potentially funded activities include:

- Verification of advanced biofuel attributes and characteristics, and data collection and modeling.
- Acceleration of technological advances that enhances commercial biofuel production.
- Facility pre-engineering and design.
- Engineering plans and specifications
- Facility modification and/or operations
- Asset and/or equipment acquisition

### Stage 3: Commercial Facilities

This stage is characterized by a production facility that can be scaled for revenue generation. Potentially funded activities include:

- Engineering plans and specifications
- Facility modifications and/or operations
- Asset and/or equipment acquisition
- Facility process efficiency improvements leading to reductions in GHG emissions.
- Process improvements to accommodate lower carbon feedstock and fuel production.

## **7. Eligible Applicants:**

This solicitation is open to businesses, public agencies, vehicle and technology entities, public-private partnerships, and academic institutions.

Applicants may submit multiple proposals, however, each proposal must be for a distinct, separate project and must be submitted separately adhering to all requirements contained in this solicitation.

Awardees from previous solicitations may apply, but to be considered under this solicitation, the new proposed project must further advance the technology's progress toward commercialization in a significant way.

To be eligible, Applicants must have a business presence in California. All private entities are required to register and be in good standing with the California Secretary of State to enter into an agreement with the Energy Commission. If not currently registered with the California Secretary of State, Applicants are encouraged to contact the Secretary of State's Office as soon as possible to avoid potential delays in beginning the proposed project(s) (should the application be successful). For more information, contact the Secretary of State's Office via its website at [www.sos.ca.gov](http://www.sos.ca.gov).

To be eligible, Applicants must agree to be bound by the ARFVT Program Grant Terms and Conditions for any agreement(s) resulting from this solicitation. The Energy Commission reserves the right to add or modify any special terms and conditions necessary to successfully administer a grant agreement resulting from this solicitation. Applicants who cannot agree to comply with the terms and conditions of the ARFVT Program are encouraged to partner with other entities that can accept these terms and conditions.

## **8. Funding Information:**

The maximum funding available for this solicitation is \$37.69 million. The Energy Commission reserves the right to increase total funding under this solicitation by up to an additional \$30 million.

The following is a breakdown of funding by allocation category as identified in the Investment Plans:

Diesel Substitutes - \$11.92 Million

Gasoline Substitutes - \$12.49 Million

Biomethane - \$13.28 Million

The Energy Commission reserves the right to reduce an award to an amount deemed appropriate in the event the maximum funding available for this solicitation does not provide full funding for each of the top-scoring proposals. In this event, the Grantee and the Energy Commission shall meet and reach agreement on a scope of work commensurate with the level of available funding.

The minimum funding amount per proposal is \$500,000 for all stages. The Energy Commission established the following award maximums for this solicitation (see Eligible Projects for an explanation of the stages referenced below):

- Stage 1: Maximum award \$1.5 million
- Stage 2: Maximum award \$5.0 million
- Stage 3: Maximum award \$6.0 million

In order to encourage “CEQA-ready” projects and to ensure timely encumbrance of funds, the Energy Commission will conduct two rounds of scoring. The first round of scoring will fund up to \$20 million in passing projects. Remaining funds will be applied to the second round of scoring. See Section 18 (Selection of Projects and Award Process) for details.

#### 9. **Sustainability and Greenhouse Gas Emissions:**

The Energy Commission is committed to the sustainable production of biofuels and wants to ensure that biofuel production projects, on a full fuel-cycle basis, will not adversely impact natural resources. The Energy Commission’s sustainability criteria seek to ensure that reducing GHG emissions and increasing energy independence is not conducted at the expense of California’s land, air, and water resources.

Sustainability and GHG reduction criteria feature prominently in the scoring of this solicitation. Please refer to the Alternative and Renewable Fuel and Vehicle Technology Program Regulations in section 3101.5<sup>3</sup> of Title 20 of the California Code of Regulations to ensure a thorough understanding of these requirements. Scoring criteria in Attachment B include the following:

- Greenhouse gas reduction
- Petroleum reduction
- Resource impacts, including land, air, water, and energy
- Feedstock sourcing
- Sustainability certification

#### 10. **Match Funding Requirements:**

The balance of the project cost beyond the Energy Commission Cost Share is the Applicant’s required match share. **Proposals submitted under this solicitation must include a 50 percent non-state match share including cash or cash and in-kind services.** In-kind contributions include, but are not limited to, donated labor hours, equipment, facilities and property, necessary to complete the proposed project. Equipment, facilities, (e.g. laboratory space) and most property can count as match funds as long as the value of the contribution is based on

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<sup>3</sup> Final Regulation Language: Alternative and Renewable Fuels and Technologies Program  
<http://www.energy.ca.gov/2008publications/CEC-600-2008-013/CEC-600-2008-013-F.PDF>

documented market values or book values and is depreciated or amortized over the term of the project and based on its value to the project, using standard accounting principles.

Proposals having a greater percentage of the total project costs in match funding will be scored higher. All match-funding must be committed and in place at the time the proposal is submitted to the Energy Commission. Proposals must disclose the source and provide verification and documentation for the matching funds.

Energy Commission funds will be released only if the required match percentages are expended. Match percentages will be evaluated quarterly.

Assembly Bill 1314 (Wieckowski, Statutes of 2011, Chapter 487), effective January 1, 2012, amends the ARFVT Program to allow an applicant to count as match those project costs incurred after the Energy Commission notifies the applicant that its project has been proposed for an award. Pre-execution match expenditures are at the applicant's own risk. The Energy Commission is not liable for applicant's costs if the grant is not approved, if approval is delayed, or if the match expenditure is not allowable under the terms and conditions of the grant or applicable federal cost principles incorporated by reference into the agreement. All match expenditures must conform to the requirements in the terms and conditions of the grant agreement. Recipients will be required to document and verify match expenditures, and provide a synopsis of project progress, in the first monthly progress report and invoice to the Energy Commission after grant execution.

The Energy Commission will not reimburse for costs incurred before final execution of the grant agreement.

**11. Confidential Information:**

No confidential information will be accepted either through the application process or through the implementation of the funding award. Applications containing or proposing to deliver confidential information will be returned without consideration.

The entire evaluation process from receipt of applications to the posting of the Notice of Proposed Award is confidential. However, applications and all submittals will become public records after the Energy Commission completes the evaluation and/or scoring process and the Notice of Proposed Awards is posted, or the solicitation is cancelled.

**12. Proposal Submission Requirements:**

One (1) original and three (3) copies of the proposal and a CD/flash drive containing all of the documents related to the proposal **must be received no later than date and time posted in the Section 19 Table**. Proposals may be mailed or hand delivered to:

California Energy Commission  
Grants and Loans Office  
Attn: PON-11-601 Biofuels Production  
1516 Ninth Street, MS-1  
Sacramento, CA 95814

Postmark dates of mailing, electronic mail (E-mail), and facsimile (Fax) transmissions are not acceptable, in whole or in part, under any circumstances.

Note: For all hand delivered proposals, Security contacts Grants & Loans who issues a receipt for proof of on-time delivery. The clock at the Security Desk at the Energy Commission building entrance is used for all last minute deliveries. Twenty (20) minutes prior to the deadline, a representative from the Grants and Loans Office will be at the security desk location to accept on-time deliveries.

**13. California Environmental Quality Act:**

Projects awarded Energy Commission funding are subject to the California Environmental Quality Act (CEQA) if the proposed project meets the legal definition of "project" as defined in CEQA (Public Resources Code Section 21000 et seq.). A "project" defined under CEQA is an action requiring a discretionary approval (such as a permit) from a local, regional, or state agency that has the potential to cause a direct physical change or a reasonably foreseeable indirect change in the environment.

Biofuel production projects will likely qualify as a "project" under CEQA. If any part of the proposed biofuel production project could qualify as a "project" under CEQA, applicants will be required to provide all required documentation to facilitate CEQA compliance prior to approval of the agreement and award of grant funds by the Energy Commission. **The Energy Commission must comply with its legal obligation under CEQA prior to advancing a project to an Energy Commission Business Meeting for approval. As such, no awards can be advanced for Commission approval until CEQA compliance is documented and completed.**

An applicant's preparedness in meeting CEQA compliance will be evaluated in technical scoring. Therefore, projects proposing an unrealistic timeline for obtaining CEQA documentation may receive a lower score. Applicants are strongly encouraged to investigate the potential of their project to require a discretionary approval, to identify early the appropriate Lead Agency with authority to determine

CEQA obligations, and to comply with CEQA in a timely fashion. If you believe CEQA compliance may be required, please begin the compliance work as soon as feasible so as not to delay a potential award of grant funds. If the Energy Commission is the only agency with discretionary approval over the proposed project (e.g. the local permitting agency does not consider the proposed activities a “project”), then the Energy Commission will act as the Lead Agency and will work with the applicant (after the release of the NOPA) to ensure CEQA compliance. The Energy Commission may charge and collect a reasonable fee from the Applicant to cover CEQA costs. Costs expended to comply with CEQA will not be reimbursed with grant funds.

Please complete all relevant sections of the detailed worksheet in Attachment L. This worksheet will help determine CEQA compliance obligations by identifying which parts of the project may trigger the need for CEQA review and compliance. If the proposed project includes only activities such as paper studies, an activity that does not trigger CEQA, then the worksheet in Attachment L will help identify and document this. Failure to complete the worksheet in Attachment L may lead to disqualification of the project proposal.

To encourage “CEQA-ready” projects, the Energy Commission is conducting scoring and proposing awards in two rounds. The first round of scoring will be for projects that commit to submitting CEQA documentation by May 1, 2012, as indicated on their application cover sheet. The second round of scoring will be for projects that will submit CEQA documentation after May 1, 2012. Any unfunded projects from the first round of scoring and any first-round project that fails to timely submit CEQA documentation will be shifted to the second round of scoring and re-ranked with their original score. See Section 18 (Selection of Projects and Award Process) for details.

**All CEQA compliance documents must be submitted to the Energy Commission for review no later than March 15, 2013. If CEQA compliance documents are not received by March 15, 2013, the Energy Commission may cancel the proposed award and fund the next highest scored project from the second round of scoring.**

The information provided in the following two tables is based on past biofuels grant projects. This information is intended to help guide applicants in determining potential CEQA compliance timelines. Each proposed project is unique and may not be consistent with the information provided in these tables. It is the applicant’s responsibility to identify the Lead Agency for their proposed project to determine the necessary CEQA compliance documents and identify an appropriate timeline to seek CEQA compliance.

**Type of Project and Potential CEQA Compliance**

Project Stage	Potential CEQA Compliance Document
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Stage 1	Letter from Lead Agency identifying that the proposed activities do not meet the definition of a “Project” under CEQA, Notice of Exemption (NOE)
Stage 2	Notice of Exemption, Negative Declaration (ND), Mitigated Negative Declaration (MND)
Stage 3	Notice of Exemption, Negative Declaration, Mitigated Negative Declaration, Environmental Impact Report (EIR) <sup>4</sup>

### Estimated Time for CEQA Compliance by Document Type

Type of CEQA Document	Average Time (months)
Notice of Exemption	2.5
Negative Declaration	6.5
Mitigated Negative Declaration	14+
Environmental Impact Report	14+

#### 14. Section 3103 Funding Restrictions

Pursuant to Program regulations (20 CCR 3103), if the Applicant is an obligated party under a program such as the California Low Carbon Fuel Standard (17 CCR 95480-95490) (“LCFS”) or initiatives under Assembly Bill 32 (17 CCR 95800-96023), Applicant may only request funding for the portion of the proposed project that exceeds what is required for the Applicant to comply with the applicable performance requirement.

<sup>4</sup> Completed programmatic EIRs that may be helpful to some proposed projects:

California Regional Water Quality Control Board, Central Valley Region, “Dairy Manure Digester and Co-Digester Facilities: Final Program Environmental Impact Report” November 2010  
[http://www.waterboards.ca.gov/centralvalley/board\\_decisions/tentative\\_orders/1012/dairy\\_digester\\_eir/dairy\\_digstr\\_fpeir.pdf](http://www.waterboards.ca.gov/centralvalley/board_decisions/tentative_orders/1012/dairy_digester_eir/dairy_digstr_fpeir.pdf)

California Department of Resources Recycling and Recovery (CalRecycle), “Statewide Anaerobic Digester Facilities for the Treatment of Municipal Organic Solid Waste: Final Program Environmental Impact Report” June 2011  
<http://www.calrecycle.ca.gov/swfacilities/Compostables/AnaerobicDig/PropFnPEIR.pdf>

If the Applicant is an obligated party or has “opted in,” either before or during the Agreement term, to a credit-generating program such as the LCFS or AB 32 initiatives, and plans to claim credits generated by the proposed project, then the Applicant will be required to agree to discount the value of those credits at the point of transfer in proportion to the funding received. Only credits generated by the project during the term of the grant are subject to these disposition requirements. See Attachment N (Funding Restrictions Special Condition Template) for details.

**15. Grounds for Rejection:**

**Applications will be rejected and not considered for funding if:**

- The proposal is not received by the Energy Commission’s Grants and Loans Office by the specified due date and time.
- The Cover Page is not signed by the Applicant’s authorized representative.
- The required minimum 50 percent non-state match funding is not budgeted.
- If applicable, project partners are not identified and documentation confirming their role and participation is not provided.
- The project is not an Eligible Project (section 6).
- The application contains confidential information.

**Applications may be rejected and not considered for funding if:**

- Any proposal requirements are missing or incomplete.

**16. Proposal Requirements:**

**All proposals must contain the following information:**

A. Proposal Cover Page

Applicants must include a complete and signed Grant Proposal Cover Page shown in Attachment A. **The proposal must include an original Cover Page signed by an authorized representative of the Applicant’s organization.**

B. Executive Summary

The maximum length of the Executive Summary is two (2) pages. The Executive Summary must include, at a minimum, a project description, project goals, projected costs and yields, and any other quantitative and measurable objectives to be achieved.

C. Project Narrative

The Project Narrative must include a detailed description of the proposed project, including the entity that will own and operate the proposed project, operational goals and objectives of the proposed project, and an explanation of how the proposed project:

- Complements, and does not interfere with, efforts to achieve and maintain federal and state ambient air quality standards and to reduce toxic air contaminant emissions; and maintains or improves upon emission reductions and air quality benefits in the State Implementation Plan for Ozone, California, Phase 2 Reformulated Gasoline standards, and diesel fuel regulations. These requirements are described in the *FINAL REGULATION ORDER: Regulation for the AB 118 Air Quality Guidelines for the Air Quality Improvement Program and the Alternative and Renewable Fuel and Vehicle Technology Program* that can be found at <http://www.arb.ca.gov/regact/2008/aqipfuels08/oalfinreg.pdf>.
- Complies with the prohibition against funding projects that are required to be undertaken by state or federal law, district rules or regulations, memoranda of understanding with a governmental entity, or legally binding agreements or documents. This prohibition is described in section 3103 of the *Final Regulation Language, Alternative and Renewable Fuels and Vehicle Technologies Program* that can be found at: <http://www.energy.ca.gov/2008publications/CEC-600-2008-013/CEC-600-2008-013-F.PDF>
- Addresses each of the scoring criteria described in Attachment B. Provide sufficient detail so that reviewers will be able to evaluate the proposal against each of the scoring criteria.

#### D. Scope of Work and Schedule

Applicants must include a completed Scope of Work and Schedule for the project. Use the templates contained in Attachments D and E, respectively.

All work must be scheduled for completion by March 31, 2016 including six months of data collection and reporting. Instructions for completing the Scope of Work as well as a sample are included in Attachment C. **Electronic files for the Scope of Work must be in MSWord.**

Instructions for the Schedule of Products and Due Dates are included in the document template. **Electronic files for the Schedule of Products and Due Dates must be in MSEXcel.**

The description of activities proposed in the Project Narrative must conform to the Tasks described in the Scope of Work.

#### E. Project Team

Applicants must identify, by name, all key personnel assigned to the project, including the project manager, and clearly describe their individual areas of responsibility. The project manager is the one individual responsible for interacting with the Energy Commission Agreement Manager on all issues relating to the overall project and coordinating all aspects of work under the project.

For each individual, include company, position title, job description, individual resume (maximum of two pages), and contact information. Applicants must include a letter of commitment from key project partners.

The proposal must provide a list of past projects detailing relevant technical and business experience.

#### F. Budget

Applicants must complete and include the Budget forms contained in Attachment F, including form B-6 (Loaded Rate Calculation), for each project. Instructions for completing the Budget forms are included in Attachment F. **Electronic files for the Budget must be in MSExcel.**

Applicants must provide letters of commitment identifying the source(s) and availability of match funding.

All project expenditures (reimbursable) must be expended within the approved term of the funding agreement. The requirements for match share funding are included in Section 10 of this solicitation.

The Budget should allow for the expenses of a Kick-off Meeting, at least one (1) Critical Project Review meeting, and a Final meeting. It is anticipated that meetings will be conducted at the Energy Commission located in Sacramento, CA.

Applicants should budget for permits, insurance, etc., and limit the funding source to match funds.

The Budget should allow for the preparation and submission of monthly progress reports (1-2 pages each) during the approved term of the agreement, and a Final Report. Instructions for preparing the Final Report will be provided to successful Applicants.

The purchase of equipment (defined as items with a unit cost greater than \$5,000 and a useful life of greater than one year) with Energy Commission funds will require disposition of purchased equipment at the end of the project. Typically, Grant Recipients may continue to utilize equipment purchased with Energy Commission funds as long as the use is consistent with the intent of the

original Grant Agreement. *There are no disposition requirements for equipment purchased with match share funding.*

The Budget must reflect estimates for **actual** costs to be incurred during the approved term of the project. The Energy Commission can only approve and reimburse for actual costs that are properly documented in accordance with the Grant Terms and Conditions.

The Budget must **NOT** include any profit from the proposed project, either as a reimbursed item or as match share. Please review the Grant Terms and Conditions for additional restrictions and requirements.

#### G. CEQA Compliance Form

Applicants must complete Attachment L. The Energy Commission requires this information to assist its own determination under the California Environmental Quality Act (Pub. Resource Code § Section 21000 et.seq).

#### H. Local Health Impacts Information:

Applicants must complete Attachment G. The Energy Commission requires this information to comply with the Air Quality Guidelines for the ARFVT Program (California Code of Regulations, Title 13, Chapter 8.1, Section 2343(c)(6)(A)).

#### **Additional Proposal Requirements:**

- Limit the proposal to a maximum of 30 pages total including the cover page, executive summary, and project narrative. Resumes and other supporting documentation, such as a Scope of Work and Budget, may be included as appendices.
- Use a standard 12-point font and 1-inch or larger page margins and number the pages.
- All Applicants must provide hard copies of one (1) original and three (3) copies of the proposal and a CD/Flash Drive containing all of the documents related to the proposal in editable (not PDF) form.
- The original should be bound only with a binder clip. The other three (3) copies should be bound only with a staple in the upper left corner. No covers or other types of bindings are allowed. **Scope of Work must be in MS Word, and the Product Schedule and Budget must be in MS Excel.**

#### **17. Payment of Prevailing Wages:**

Some projects under this solicitation might be considered public works pursuant to the California Labor Code. If the project is a public work, prevailing wage is required. The California Department of Industrial Relations (DIR) has jurisdiction to

decide whether a particular project is or is not a public work. If the project involves construction, alteration, demolition, installation, repair or maintenance work, it probably would be considered by DIR to be a public work. Examples of the activities that would probably lead DIR to find that the project involves public works include: cement work, site preparation such as grading, surveying, electrical work such as wiring, and carpentry work. Certain workers are entitled to prevailing wage, such as operating engineers, surveyors, carpenters, laborers, etc. However, other workers are not subject to State prevailing wage laws, such as design or pre-construction engineers or project superintendent who do not perform work on the projects.

Applicants must determine if the proposed project involves public works, and ensure that the project budget for labor reflects all prevailing wage requirements. The budget should indicate which job classifications are subject to prevailing wage.

In order to determine if the proposed project involve public works, please contact DIR as advised in Attachment H. If the Applicant is unsure whether the proposed project involves public works and has not received a determination from DIR that the project is not a public work, the Applicant is advised to prepare a budget assuming that prevailing wage laws apply.

If the proposed project is a public work, or is assumed to be a public work, the Applicant can contact DIR for a list of covered trades and the applicable prevailing wage. Any agreement resulting from this solicitation will include the requirements for a public works project, such as paying prevailing wage, keeping payroll records, complying with working hour requirements, and apprenticeship obligations. See the sample terms and conditions, the Special Condition regarding Prevailing Wage Compliance (Attachment H), and Prevailing Wage Compliance Certification Form (Attachment I).

For detailed information about prevailing wage and the process to determine if the proposed project is a public work, see the Prevailing Wage Compliance Questions and Answers (Attachment J).

#### **18. Selection of Projects and Award Process:**

The following process will be used to select and propose awards for funding:

1. All applications will be screened for compliance with the Proposal Requirements and the Grounds for Rejection listed in section 15. Proposals that do not meet these requirements will be rejected and will not proceed to the scoring process.
2. During technical scoring, the Energy Commission may ask Applicants clarifying questions regarding their applications. Applicants will not be reimbursed for time spent answering clarifying questions.
3. A minimum score of 70 percent in technical scoring is required for the application to be eligible for funding.

4. A Scoring Committee will conduct a first round of scoring using the technical scoring criteria in Attachment B for applications passing the administrative screening, and indicating on their application cover sheet that they will submit CEQA documents by May 1, 2012.
5. The Energy Commission will propose a first round of awards, starting with the highest ranked project. The results of the Energy Commission's decision of proposed funding level, the rank order of proposers, and the amount of each proposed award will be posted in a first Notice of Proposed Awards (NOPA).
6. The Energy Commission reserves the right to negotiate with Applicants to modify the project scope, the level of funding, or both.
7. If the Energy Commission is unable to successfully negotiate and execute a funding agreement with an Applicant, the Energy Commission, at its sole discretion, reserves the right to cancel the pending award and shift funds to the second round of proposed awards.
8. The Grant Agreement will be scheduled and heard at an Energy Commission Business Meeting for approval.
9. Public agencies that receive funding under this solicitation must provide an authorizing resolution approved by their governing authority to enter into an Agreement with the Energy Commission and designating an authorized representative to sign.
10. The Energy Commission will send the approved Grant Agreement, including the general Terms and Conditions and any additional terms and conditions, to the grant recipient for review, approval, and signature.
11. Once the grant recipient signs, the Energy Commission will fully execute the Grant Agreement. Recipients are approved to begin the project only after full execution of the Grant Agreement.
12. After funds from the first round of scoring are awarded, the Scoring Committee will conduct a second round of scoring using the technical scoring criteria in Attachment B for applications passing the administrative screening that have indicated that they will submit CEQA documents after May 1, 2012.
13. Passing but unfunded applications from the first NOPA, and any projects from the first NOPA that fail timely to submit CEQA documents by May 1, 2012, will be moved to the second NOPA and ranked with their original score against projects scored in the second round.
14. The Energy Commission will propose a second round of awards, starting with the highest ranked project and including projects that were moved from the first NOPA. The results of the Energy Commission's decision of proposed funding level, the rank order of proposers, and the amount of each proposed award will be posted in a second NOPA.
15. Unsuccessful Applicants may request a debriefing after the release of the second NOPA. A request for debriefing must be received no later than 30 days after the second NOPA is released.
16. If the Energy Commission is unable to successfully negotiate and execute a funding agreement with an Applicant, the Energy Commission, at its sole discretion, reserves the right to cancel the pending award and fund the next highest ranked eligible project from the second NOPA.

## 19. Schedule of Proposal and Award Process:

Event	Date
Release of solicitation	January 11, 2012
Proposal workshop	January 27, 2012
Deadline to submit questions	January 27, 2012 no later than 5:00 pm
Posting of answers to questions received at the proposal workshop, via US mail or email	Estimated February 3, 2012
Deadline to submit proposals	February 21, 2012 no later than 4:00 pm
Post First Notice of Proposed Awards ( <i>estimated</i> )	April 2012
Approval of first-round awards at Energy Commission Business Meeting ( <i>estimated</i> )	June 2012
Post second Notice of Proposed Awards ( <i>estimated</i> )	August 2012
Approval of second-round awards at Energy Commission Business Meeting ( <i>estimated</i> )	October 2012
Anticipated date for work to begin	2-4 weeks after approval of award

## 20. Proposal Workshop:

A proposal workshop will be held through in-person participation, WebEx, and conference call. Participation by prospective Applicants is optional. Please call: Kristyn Jack at (916) 654-4381, or refer to the Energy Commission's website at: <http://www.energy.ca.gov/contracts/index.html> to confirm the date and time.

**January 27, 2012**

9:00 a.m.

California Energy Commission  
Hearing Room A, First Floor  
1516 Ninth Street  
Sacramento, California 95814

**Presentations and audio from the meeting will be broadcast via our WebEx web conferencing system. To join the WebEx, the Energy Commission's on-line meeting service, please use the following instructions:**

### Computer Logon with a Direct Phone Number:

- Please go to <https://energy.webex.com> and enter the unique meeting number **921 408 011**.
- When prompted, enter your information and the following meeting password: meeting@9.

- After you login, a prompt will appear on-screen for you to provide your phone number. In the Number box, type your area code and phone number and click OK to receive a call back on your phone for the audio of the meeting. International callers can use the "Country/Region" button to help make their connection.

### **Computer Logon for Callers with an Extension Phone Number, etc.:**

- Please go to <https://energy.webex.com> and enter the unique meeting number **921 408 011**.
- When prompted, enter your information and the following meeting password: meeting@9.
- After you login, a prompt will ask for your phone number. **CLICK CANCEL**.
- Instead call 1-866-469-3239 (toll-free in the U.S. and Canada). When prompted, enter the meeting number above and your unique Attendee ID number which is listed in the top left area of your screen after you login. International callers can dial in using the "Show all global call-in numbers" link (also in the top left area).

### **Telephone Only (No Computer Access):**

- Call 1-866-469-3239 (toll-free in the U.S. and Canada) and when prompted enter the unique meeting number above. International callers can select their number from <https://energy.webex.com/energy/globalcallin.php>.
- If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239. Please be aware that the meeting's WebEx audio and on screen activity may be recorded.

### **Conference Call:**

To participate in the meeting by phone, please call (866) 469-3239 by 9:00 a.m.  
Passcode: **921 408 011**. Call Leader: Pilar Magana

### **21. Cancellation or Amendment of the Solicitation:**

It is the policy of the Energy Commission not to solicit proposals unless there is a bona fide intention to award an Agreement. The Energy Commission reserves the right to do any of the following:

- Cancel this solicitation
- Revise the amount of funds available under this solicitation
- Amend or revise this solicitation as needed
- Reject any or all proposals received in response to this solicitation

**22. Questions:**

Questions about this solicitation may be submitted in writing or via e-mail to:

California Energy Commission  
Grants and Loans Office  
Attn: PON-11-601 / Biofuels Production Facilities  
1516 Ninth Street, MS-1  
Sacramento, CA 95814  
[dnichols@energy.state.ca.us](mailto:dnichols@energy.state.ca.us)

Questions submitted to the Energy Commission at the proposal workshop, or in writing or via email prior to the deadline specified in Section 19 of this solicitation, will be answered and posted on the Energy Commission's website at <http://www.energy.ca.gov/contracts> as part of this solicitation package. The person and organization submitting a question will not be identified.

**23. List of Attachments:**

- A. Grant Proposal Cover Page
- B. Proposal Scoring Criteria
- C. Instructions for the Scope of Work
- D. Scope of Work Template and Sample
- E. Schedule of Products and Due Dates
- F. Budget Forms and Instructions
- G. Local Health Impacts Information
- H. Prevailing Wage Special Condition Template
- I. Prevailing Wage Compliance Certificate
- J. Information on Compliance with Prevailing Wage
- K. Terms and Conditions with Payment Request Form
- L. California Environmental Quality Act (CEQA) Compliance Form
- M. Invoicing Instructions for Cost Reimbursement Agreements
- N. Funding Restrictions Special Condition Template