



# Biofuels Production Facilities (PON-11-601)

Pre-Application Workshop  
California Energy Commission  
January 27, 2012

Rhetta deMesa  
Emerging Fuels and Technologies Office  
Fuels and Transportation Division



## Agenda

- 9:00 Welcome and Introductions
- 9:15 Solicitation Overview Presentation  
Rhetta deMesa– Emerging Fuels and Technologies Office
- 9:45 Questions and Answers  
Rhetta deMesa/Larry Rillera/Bill Kinney, Emerging Fuels and Technologies Office, and David Nichols, Grants and Loans Office



## Purpose of Solicitation

Provide funding for the development of new, California-based biofuel production facilities that can sustainably produce low carbon transportation fuels.

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 Information

1. Competitive Solicitation
2. Maximum funding available is \$37.69 million
  - Diesel Substitutes - \$11.92 Million
  - Gasoline Substitutes - \$12.49 Million
  - Biomethane - \$13.28 Million
3. Funding may be increased by up to an additional \$30 Million



## Funding Information

4. Projects will be scored individually. Only projects with passing scores will be eligible for funding.
5. 50% non-state cash or cash and in-kind match is required.
6. Minimum funding amount per proposal: \$500,000.00
7. Maximum funding amount by stage:
  - Stage 1: Maximum Award \$1.5 Million
  - Stage 2: Maximum Award \$5.0 Million
  - Stage 3: Maximum Award \$6.0 Million



## 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 a lower GHG potential than referenced in the Low Carbon Fuel Standard (LCFS) pathways for corn ethanol or soy biodiesel
- Project construction and operation work must occur in California with the exception of any work performed at federal facilities



# Eligible Feedstocks and Biofuels

- Diesel Substitutes
  - Eligible Feedstocks: waste-based biomass and purpose grown crops with a carbon intensity lower than soy (83.25 gCO<sub>2</sub>-eq/MJ)
- Gasoline Substitutes
  - Eligible Feedstocks: waste-based biomass and purpose grown crops with a carbon intensity lower than current average California produced ethanol using Midwest corn (80.7 gCO<sub>2</sub>-eq/MJ)
  - Corn grain is NOT an eligible feedstock
- Biomethane
  - Eligible Feedstocks: pre-landfilled waste-based biomass sources
  - If using municipal solid waste (MSW) as a feedstock, only the biogenic fraction of the waste stream is eligible



## Types of Projects

This solicitation covers project activities in three distinct development stages:

Stage 1: Early Technology Development - Research, feasibility studies, engineering, proof-of-concept, pre-construction activities

Stage 2: Pilot and/or Demonstration Facility – Design, construction operation of demonstration or pilot facility

Stage 3: Commercial Facilities – Design, construction, modification, operations of commercial scale facility



## Eligible Applicants

- Open to businesses, public agencies, vehicle and technology entities, public-private partnerships, and academic institutions
- Business presence in California- registered and in good standing with the California Secretary of State.
- Applicants must agree to be bound by the Alternative and Renewable Fuel and Vehicle Technology Program Grant Terms and Conditions
- Applicants may submit multiple applications, however, each proposal must be for a distinct, separate project and must be submitted separately adhering to all requirements
- Awardees from previous solicitations may apply, but the new proposed project must further advance the technology's progress towards commercialization in a significant way



## Selection of Projects & Awards Process

- Proposals will be screened based on the Screening Criteria and will be evaluated on technical merit based on the scoring criteria (Attachment B).
- Projects must pass the screening criteria and receive a minimum score of 70 percent to be considered for funding.
- Funding level, rank order of proposers, and award amounts will be released through two Notice of Proposed Awards (NOPA)
- Energy Commission staff will work with proposed awardees to finalize agreement documents for approval at an Energy Commission Business Meeting



## Two Round Scoring Process

- Scoring and proposing of awards will be conducted in two rounds
  - **Round 1:** Projects that can commit to submitting California Environmental Quality Act (CEQA) compliance documentation by May 1, 2012
  - **Round 2:** Projects that will submit CEQA compliance documentation after May 1, 2012
- Applicant must indicate on the Cover Page (Attachment A), which round the proposed project seeks evaluation



## Two Round Scoring Process (Cont.)

- **Round 1** projects will be scored first and the first Notice of Proposed Award (NOPA) released funding up to \$20 M
- **Round 2** projects will be scored and a second NOPA released proposing awards for the remainder of the funding
- Passing projects that are unfunded in Round 1, or Round 1 projects that are unable to submit their CEQA documentation in time will be merged onto the second NOPA with their original score



# California Environmental Quality Act (CEQA)

- All projects are subject to CEQA Review
- 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.
- CEQA compliance will be evaluated in technical scoring criteria
- **No awards can be advanced for Commission approval until CEQA compliance is documented and completed**



## ARFVT Program Section 3103 Regulation

- If an applicant is an obligated party under a program such as LCFS or initiatives under AB32 (Global Warming Solutions Act of 2006), the applicant may only request funding for the portion of the project that exceeds what is required for the Applicant to comply with the applicable performance requirement.
- If Recipient is an obligated party under the LCFS or AB 32 or if Recipient “opts in” to either program before or **during the Agreement term**, Recipient agrees that if it transfers credits during the term of the Agreement or **for a period of three years** thereafter, it will do so at a discounted value in proportion to the funding received from the Energy Commission for the project.



## Grounds for Rejection

### **Applications WILL be rejected if:**

- Application is not received by 4 PM on February 21
- Cover Page (s) is not signed by the authorized representative
- Required minimum 50 percent non-state match funding is not budgeted
- Project partners are not identified and documentation confirming their role and participation is not provided (if applicable)
- Project is not an eligible project (section 6).
- Application contains confidential information



## Grounds for Rejection

**Projects MAY be rejected** and not considered for funding if:

- Any proposal requirements are missing or incomplete



# Proposal Requirements

1. Proposal Cover Page
2. Executive Summary
3. Project Narrative
4. Scope of Work and Schedule
5. Project Team
6. Budget
7. CEQA Compliance Form
8. Local Health Impacts Information



**Proposal Cover Page:** must include a complete and signed cover page shown in Attachment A

**Executive Summary:** must include project description, project goals, projected costs and yields, and any other quantitative and measurable objectives to be achieved (2 page limit)



**Project Narrative:** detailed description of the proposed project, including the entity that will own and operate the proposed project, and operational goals and objectives. Includes responses to scoring criteria (Attachment B).

**Scope of Work and Schedule:** Attachments D and E. All work must be scheduled for completion by 3/31/2016.



**Project Team:** Identify all personnel assigned to the project and their areas of responsibility. Include resumes of key personnel. Provide letters of commitment from project partners.

**Budget:** Complete budget forms contained in attachment F, including B-6 (Loaded Rate Calculation).



**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

**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.



## Scoring Criteria

1.	Qualifications of the Applicant /Project Team	15 points
2.	Technology Development	25 points
3.	Market Development	30 points
4.	Project Implementation	20 points
5.	Project Readiness	25 points
6.	Project Budget/Cost Effectiveness	80 points
7.	Match Funding	10 points
8.	Economic Benefits	25 points
9.	<u>Sustainability</u>	<u>70 points</u>
Total:		300 points



## Schedule

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	February 3, 2012 (estimated)
Proposals Due	February 21, 2012, no later than 4:00 pm
Post First Notice of Proposed Awards	April 2012 (estimated)
Approval of First Round Awards at CEC Business Meeting	June 2012 (estimated)
Post Second Notice of Proposed Awards	August 2012 (estimated)
Approval of Second Round Awards at CEC Business Meeting	October 2012 (estimated)



# QUESTIONS

All questions are due today by 5:00 pm

Please submit questions to:

[dnichols@energy.state.ca.us](mailto:dnichols@energy.state.ca.us)

Attn: PON-11-601/Biofuels Production Facilities