

Question & Answers
Natural Gas Fueling Infrastructure Solicitation
PON-12-605

1. If you are a school, can you apply for all three project types: CNG, LNG or C/LNG?

(Answer) *Yes, but each proposal must be in a separate application and each ARFVTP award is limited to \$300,000 per project if no match funding will be used. See Addendum 1 and page 5 of the Solicitation (December 18, 2012 version).*

2. What percentage of renewable feedstock is required to qualify for extra funding? How much has to be renewable to get the 60% award?

(Answer) *A minimum of 30% of compressed natural gas or liquefied natural gas must be from a renewable source to qualify for extra funding. Please refer to page 10 of the Solicitation which defines renewable natural gas.*

3. Do the projects have to be for new stations?

(Answer) *No. Projects can be an expansion or upgrade of an existing facility. See Eligible Projects on page 4 of the Solicitation (December 18, 2012 version).*

4. An existing facility is not upgradable; can they use money to add an additional station?

(Answer) *Yes, projects may add new fueling infrastructure. See Eligible Projects on page 4 of the Solicitation (December 18, 2012 version).*

5. What information or paperwork is required in regards to station use/throughput?

(Answer) *Applications must provide the information described in the Project Narrative. See Section III.B of the Solicitation on pages 9-10. Provide as much information, description, and supporting documentation as possible.*

6. If project is on tribal land, they are normally required to do NEPA. Will we still require CEQA?

(Answer) *The applicability of the California Environmental Quality Act (CEQA) to projects located on tribal land depends on the facts specific to the project. Applicants are advised to consult with a qualified attorney of their choice for information specific to their project. All applicants should complete the CEQA Worksheet (Attachment 10) to describe the environmental review that has or will occur by local public agencies, the federal government, or by the tribe's own governing structure.*

7. If project requires on Environmental Impact Report or substantial environmental review how does this affect eligibility?

(Answer) *The level of environmental review required does not affect eligibility to apply for funds under the Solicitation. However, a funding agreement cannot be approved or executed until California Environmental Quality Act compliance is completed. Due to the strict encumbrance deadlines applicable*

to the ARFVTP funds, failure to timely complete environmental review may result in cancellation of a proposed award. Please refer to Section III.E on pages 12-14 of the Solicitation for further information.

8. How should information on greenhouse gases and petroleum reduction be provided?

(Answer) Data on petroleum displacement should be based on expected station throughput and Diesel Gallons Equivalent or Gasoline Gallons Equivalent conversion factors. Greenhouse gas reductions will be calculated by Energy Commission staff.

9. When can ordering equipment or construction begin on a proposed project? For long lead time equipment, can a purchase order for the equipment be submitted prior to the execution of agreement if they don't receive the equipment or make any payments on the equipment until after execution?

The solicitation states "All project expenditures for which a Recipient will request reimbursement must be expended within the approved term of the funding Agreement." I am assuming that means that none of the project funding that will be submitted to the CEC for reimbursement can be submitted prior to the contract execution date. Does that mean that NO purchase order can be issued before that date for station equipment, for example, if the applicant would like to use the grant funding for that same equipment?

(Answer) A purchase order may be issued prior to the execution of a funding agreement and the Commission will reimburse the Recipient so long as payment is actually made during the term of the agreement, eligible, and allocable to the funded project. However, purchase orders or other binding agreements made prior to the full execution of a grant agreement are made 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. Please refer to Solicitation Section III.D on pages 11-12 for more budgeting information.

10. Are there funding restrictions on a project's ability to generate Low Carbon Fuel Standard credits? If so, what is the extent of reduction and how is the reduction applied?

(Answer) The funding restrictions relating to Low Carbon Fuel Standard (LCFS) credits are described in Section 2 of Attachment 14, Special Terms and Conditions.

11. How will regional use studies and proximity to existing fleets/potential users be weighed against confirmed user agreements (via letters of support and commitment) submitted with the application?

(Answer) Please refer to Solicitation Section IV, page 18, for complete scoring information, which provides in part that "Applications will be evaluated on the amount of estimated natural gas throughput for the proposed station and the degree to which throughput estimates are documented and supported. Proposed stations documenting a greater amount of throughput will score higher." Confirmed user agreements, regional use studies, or letters of support would likely support the anticipated throughput and thus increase an application's score.

12. Page 5 of the solicitation states "Expenditures may be counted as match share only after the Energy Commission notifies the Applicant that its project has been proposed for an award

through the release of a Notice of Proposed Award (NOPA). However, match expenditures incurred prior to the full execution of a grant Agreement are made at the applicant's own risk." Will the Energy Commission allow match expenditures to be made prior to the issuance of a NOPA, for instance for initial design or other work leading up to CEQA approval, so long as the applicant understands that it is at the applicant's risk? This will be particularly helpful given the requirement to have CEQA determination within 60 days of the NOPA.

For the purposes of determining eligibility of match expenditures, when does the Energy Commission consider expenditures as "incurred"? When a payment is made to an equipment vendor? When the equipment is ordered?

(Answer) *No, expenditures made prior to the NOPA will not be counted towards Match Share or reimbursed by the Energy Commission. Please refer to Section III.D on pages 11-12 for budgeting information and instructions.*

For information regarding when expenditures are incurred, please refer to Question #9.

- 13. Attachment 12 (Localized Health Impacts Information) states a Localized Health Impacts report must be prepared for "all site(s) of the proposed project that will require a permit," but no reference is made to it within the Application Manual. Are grant applicants required to complete Attachment 12, and where should it be included within the proposal?**

(Answer) *Yes, please complete Attachment 12 and include all attachments with your application.*

- 14. Attachment 12 (Localized Health Impacts Information) states "Describe outreach efforts to be implemented throughout the project to educate the surrounding community of these benefits and/or impacts. Include method of outreach (e.g., flyer, town hall meeting), frequency of outreach, number of targeted stakeholders, and information to be provided." Is Outreach a requirement of the project?**

(Answer) *No. Outreach is encouraged, but is not required. If outreach is conducted, outreach efforts should be described in Attachment 12.*

- 15. Is there a maximum length for the project narrative? Last year's infrastructure solicitation had a 10 page maximum for the narrative portion, which in our opinion was too few pages and made it very difficult to write a complete response. On the other hand, if there is no page limit, it may be subjecting the Energy Commission to review extremely long proposals beyond what would provide an adequate and complete response. Would the Energy Commission consider enacting a somewhat longer page limit, perhaps 20 pages?**

(Answer) *The maximum length for the project narrative is 20 pages as detailed in Addendum 2.*

- 16. If an applicant requests grant funding to pay for equipment costs only, will the project still be subject to California Prevailing Wage Requirements if the overall project is considered public works.**

(Answer) *Yes. Since funding agreements will require both the acquisition AND installation of the equipment, prevailing wage requirements apply. The use of match share funds for labor costs does not relieve the Recipient from adhering to any applicable prevailing wage requirements under California law.*

- 17. Page 11 of the solicitation states “The Applicant must submit information on all of the budget forms, B-1 through B-5.” However, in many cases the Applicant will only be asking for funding to cover the costs of the station equipment (and not labor). In that event, (a) are labor rates and hours estimates required, and (b) is it required that forms B-2, B-2a, B-3, B-3a be filled out? If they are not required, should they just be left blank?**

(Answer) *If there are no Energy Commission reimbursable or Match Share expenditures for labor costs, there is no need to complete the labor rates sections (NOTE: prevailing wage requirements may still apply – see question 16). Please use the “hide” feature for sheets, columns, or rows that do not apply or will not be used in your budget development. See the Budget instructions for more information.*

- 18. Are the expenditures documented on B-4 Direct Operating Expenses only those expenses that will be paid for by grant funds? For instance, the only equipment costs that would be documented are those that will be reimbursed by the Energy Commission.**

(Answer) *No, the Direct Operating Expenses list on Attachment B-4 should contain both items to be reimbursed by grant funds AND those counted towards the Applicant’s match share.*

- 19. How will private fleet stations be assessed against “publicly accessible retail fueling stations”?**

(Answer) *All projects will be scored on the same criteria listed in the Solicitation on page 18 under “Scoring Criteria”.*

- 20. Please define a “publicly accessible retail station” in terms of hours and capacity.**

(Answer) *For the purpose of this solicitation, a publicly accessible retail station is defined as a station that provides natural gas for transportation use and allows access to that natural gas by the public. There are no specific restrictions in terms of hours of operation or total system capacity.*

- 21. Do we submit one package with information for the two sites (two different physical locations)?**

(Answer) *You must submit separate applications for each project site. See Addendum 1 and page 5 of the Application Manual (December 18, 2012 version).*

- 22. Are we able to receive up to \$300,000 for each location (in this case a total of \$600,000 total) or is LADWP limited to a maximum of \$300,000 total regardless of how many CNG fueling stations we install?**

(Answer) *Each station (Application) may receive up to \$300,000 or \$600,000 per the table on page 5 of the Application Manual (December 18, 2012 version). Applicants may submit multiple applications.*

- 23. Are projects currently under construction eligible?**

(Answer) *Only if the application is for an expansion or upgrade to the original project. It is not the intent of this solicitation to supplant funds for a station. See page 3 of the Solicitation Application Manual.*

- 24. Would a city be able to receive funding if we had already received money from the Air Quality Management District's (AQMD) Mobile Source Air Pollution Reduction Review Committee (MSRC) program for the same project?**

By September 30, 2013 we will have completed a 31-drop compressed natural gas time-fill fueling station and will take receipt of 10-18 natural gas buses. Partial funding for the infrastructure will include an award from MSRC and AQMD. Can funding from this solicitation also be used to help fund this fueling project?

(Answer) *Other state, local or federal funds may be used as Match Share as long as they are expended within the required timeframe. The Energy Commission will not reimburse any expenditure made prior to the completed execution of our agreement. (Please refer to questions #9 and #23 regarding reimbursement requirements and Match Funds.) Energy Commission funds (such as from another office or division within the Energy Commission) may not be used as match for Energy Commission funding.*

- 25. If a for-profit entity is awarded a grant under this solicitation, will the entity be required to conduct a financial compliance audit per the terms of 10 CFR Part 600 which is checked off in the OMBs as applicable to this grant?**

(Answer) *No. 10 CFR 600.316 requires for-profit entities that expend \$500,000 or more in a year under federal awards to have an audit made for that year by an independent auditor. Funds under this solicitation are not federal funds and therefore not subject to this requirement. Recipients will have to comply with the fiscal accounting requirements described in the PON-12-605 Terms and Conditions, Section 18 (Attachment 13).*

- 26. If a school district is currently funded by the Energy Commission for their natural gas station, does that preclude them from applying for the current open solicitation as well?**

(Answer) *No. However, the proposed project must be for a separate project or a new, unfunded component (expansion or upgrade) of the current Energy Commission funded project in order to be eligible under this solicitation. The Applicant may not use previously awarded Energy Commission funds or Match Funds used for the current project as match for the new application under this solicitation.*

27. Are station upgrades eligible for funding under this solicitation?

(Answer) Yes. See page 3 of the Application Manual, “The purpose of this solicitation is to support the installation of new natural gas fueling infrastructure **and upgrades** to existing infrastructure, as directed by the Investment Plan.” (Emphasis added.)

28. What are the limits regarding the term dates required in the application?

(Answer) Please refer to “Key Activities and Dates” on page 3 of the Application Manual. Applicants are encouraged to implement projects as quickly as possible. Due to state fiscal liquidation deadlines, the maximum end term date for projects is expected to be 3/31/2017.

29. The brief project description called for in Attachment 1 states the instructions are listed on page 5. I believe this instruction is actually on page 8. Is that correct?

(Answer) The instructions for the brief project description in Attachment 1 are located on page 9 of the Application Manual.

30. On page 4, the application manual states that eligible applicants must be registered with the California Secretary of State. Does this include California public school districts?

(Answer) No. Only certain private, for-profit entities are required to be registered with the California Secretary of State. See “Eligible Applicants” on page 4 of the Application Manual for more information.

31. Also on page 4, documentation of existing and proposed natural gas vehicle and fleet operations within a 25-mile radius of the proposed station. What form of documentation is required?

(Answer) None. This requirement was removed in Addendum 1.

32. Please clarify the match funding on page 5 as it relates to the “50% of the total project cost up to \$300,000.” If the total cost of my project is \$300,000, does this mean if \$150,000 comes from the grant award, \$150,000 would have to come from match share funds?

(Answer) Yes. The match share funding requirement reflects the minimum percentage of total project costs that must be offered as match share funds. If a CNG station has total project costs of \$300,000, the maximum award for that station \$150,000 (\$180,000 if renewable). The minimum match required is \$150,000 (\$120,000 if renewable). The applicant may request less than the maximum allowed. Using the hypothetical \$300,000 project, the applicant may request an award less than \$150,000. The budget must identify match funds at least equal to the amount of the award requested. For example, if the applicant requested \$100,000, the minimum match requirement would be \$100,000, but the applicant could commit up to \$200,000 in match funds. See “Maximum Award and Match Funding Requirements” on pages 4 and 5 of the Application Manual for more information.

33. Where can the Budget worksheets listed in Item D on Page 11 be located?

(Answer) Budget worksheets are included in Attachment 5 of the solicitation at <http://energy.ca.gov/contracts/PON-12-605/>.

34. How many projects will the Energy Commission be funding?

(Answer) *The number of projects the Energy Commission will fund depends on the number of applications that receive a score of at least 70%, the amount of funds requested by passing applications, and total funding available to the solicitation.*

35. Does the solicitation allocate funding to specific sectors (i.e., schools, government agencies, and/or geographical regions) through a formula allocation?

(Answer) *No.*

36. As stated on page 7, the application deadline is 3:00 p.m. on January 24, 2013 which gives applicants local to Sacramento an advantage. Can postmarks be used to meet this application deadline?

(Answer) *The Energy Commission does not accept postmarks or electronic submissions. The deadline for all applications has been extended by two weeks until February 7, 2013. The application must be received by this date and time. No exceptions.*

37. Can you please clarify whether the "Expenditure" date is defined by: (1) issuance of a purchase order or (2) invoice date?

(Answer) *See question #9.*

38. Our CNG fueling infrastructure went down early this year and we had to resort to renting equipment to continue using our CNG fueled school buses. As of November, the School Board was able scrape up the funds to replace it. The contract has been let and work will start this month. Would there be any chance that we would qualify for any financial assistance?

(Answer) *It is not the intent of this solicitation to supplant funds for a station. Page 3 of the Application Manual states, "The purpose of this solicitation is to support the installation of new natural gas fueling infrastructure and upgrades to existing infrastructure, as directed by the Investment Plan." (See also the answer to question 24.) If the proposed project is eligible, the Applicant should explain the reason for pursuing additional funding sources for the project.*

39. Does this new program allow for upgrading existing natural gas pumps?

(Answer) *Yes.*

40. When calculating the amount of estimated natural gas throughput for the proposed station for an upgrade to an existing station, do you calculate the total throughput after the upgrade or do you calculate the amount of throughput that the proposed upgrade will produce?

(Answer) *Please provide incremental as well as current throughput data in your application.*

41. Under eligible entities it states “fleets used for goods movement or other fleet operations”...could this “other fleet operations” apply to public transportation providers who utilize Compressed Natural Gas vehicles?

(Answer) Yes.

42. The solicitation lists June 2013 as the “Anticipated Agreement Start Date”...therefore is this the earliest that expenses for a project would be eligible?

(Answer) This date is an estimate given to provide the applicant a reasonable expectation of when the agreement may be executed. Reimbursable expenses must be incurred on or after the agreement execution date and match share expenditures on or after the NOPA date, which is expected in March 2013.

43. Is this grant only applicable to those projects that provide fueling to the public or are publicly accessible?

Our locations (2 stations) are in city/county fleet maintenance yards and one is in Golden Gate Park. When the Park station was built, public access was not allowed, in response to neighbor concerns during the original permit process. How likely is it that you will be willing to fund such an upgrade to a station that won't allow public access? Were any similar sites funded in the earlier round? (Note, again, we're a local government agency.)

(Answer) Public access is not required in order for a station to be eligible. Please refer to page 4 of the solicitation, Eligible Projects, section B, “New fueling infrastructure or upgrade to existing infrastructure that supports an existing natural gas vehicle fleet used for local and regional goods movement or other fleet operations.” Please see: http://energy.ca.gov/contracts/PON-11-602_NOPA_R2.pdf and http://energy.ca.gov/contracts/PON-11-602_NOPA.pdf for more information on potentially similar sites funded under an earlier solicitation.

44. On the December 18, 2012 WebEx presentation, I inquired about examples of eligible IN-KIND match for an UPGRADED CNG station. I understood labor costs of the upgrade to be one example. There also was a comment about the valuation of the land. Please clarify.

(Answer) All eligible, allowable, and allocable costs associated with the funded project may be counted as match share expenditures. The pro-rated, fair market value of land used for the project is just one example of an allowable match share expenditure.

45. Someone else who reviewed the solicitation noted that the project must be completed by March 31, 2017. Is this correct? Does this mean that our local match could be generated over a 2 or 3 year period? (as long as we're finished and operational by the above date?)

(Answer) Due to state fiscal liquidation deadlines, the maximum end term date for projects is expected to be March 31, 2017. Funding recipients are encouraged to implement their projects well ahead of this deadline. Match expenditures must be made before the end of agreement and are reconciled at regular intervals during the term of the agreement.

- 46. On page 9 of the application manual it is stipulated the applicants are to provide written assurance that school or school district will own the equipment. Will a declarative statement suffice or must applicants show proof?**

(Answer) *An authorized representative may provide written assurance (e.g., a declarative statement) that the school district will own the equipment.*

- 47. Under Project Narrative: Please elaborate on what the CA Energy Commission finds as lack of “existing or adequate” natural gas fueling station.**

(Answer) *Please state and document in your application why new infrastructure needs to be installed at your site location. Examples may include logistical restrictions on refueling fleets far from headquarters, lack of public access stations in region, unreliable or undersized equipment needed for efficient, modern-day service, etc.*

- 48. Under Project Narrative: What if the fleet is moving local or regional waste along a corridor?**

(Answer) *Please document the intended application and service duty cycles of all expected vehicle populations.*

- 49. Under Project Narrative: What type of verification of match funds would the Energy Commission require in the submitted application?**

(Answer) *Please provide as much detailed information as possible about the source of Match Share funds. Provide a letter of commitment from an authorized representative of each source of cash match funding or in-kind contributions that these funds or contributions have been secured. For match share committed by a third-party (i.e., other than the match share committed by the Applicant), Applicant must submit a letter of commitment from each match share partner identifying the source(s) and availability of match funding.*

- 50. Concerning the Budget Forms:**

- a. What if equipment is manufactured by the company out of state, but purchased from a California branch, could this hurt the scoring process?**

(Answer) *No.*

- b. If the equipment used during installation of fueling system is already owned by facility, how does the Energy Commission reimburse for usage?**

(Answer) *The Energy Commission will not reimburse for usage of Recipient’s existing equipment. However, the pro-rated, fair market value of existing equipment may be counted as match share for the project.*

- c. **If equipment is rented, to what degree does the Energy Commission reimburse for rental fees and usage fees of the rented equipment?**

(Answer) *If the cost can be justified and directly tied to the Scope of Work, costs such as rental fees could be included under the Miscellaneous Expenses of the Budget.*

- d. **Is station installation equipment eligible for reimbursement under a funding award?**

(Answer) *Yes if the cost can be justified and directly tied to the Scope of Work.*

51. Concerning Scoring Criteria:

- a. **How would the Energy Commission rate “need” in an area? What would allow an area to be seen as in a greater “need” per the Energy Commission?**

(Answer) *Applicants should document in their applications the “need” for the proposed fueling station. Applicants can demonstrate need based on lack of adequate current fueling infrastructure in the area, number of vehicles expected to be serviced, etc. Also, refer to question #47.*

- b. **Does air quality of the air have an impact?**

(Answer) *No.*

- c. **When calculating the GHGs for CNG/LNG versus petroleum, is only the vehicle exhaust used in the calculations or are the emissions during production/refining of the fuel also included?**

(Answer) *The Energy Commission will calculate GHG reductions. Refer to question #53(b).*

- d. **Does an alternative renewable fuel make a difference in score versus just an alternative fuel?**

(Answer) *Yes. See “Scoring Criteria” number 5 on Page 18 of the Application Manual.*

52. Concerning Attachment 2- Scope of Work, Problem Statement: Should the applicant address all barriers listed while proposing the project?

(Answer) *Yes. Applicants should list all the barriers that will be addressed under the technical tasks of the agreement Scope of Work.*

53. Concerning Attachment 10 –CEQA:

- a. **Should emissions generated during construction also be included in the project generated emissions?**

(Answer) *Attachment 10 does not require quantification of project-generated emissions. However, applicants should describe all environmental impacts and benefits of their proposed projects.*

- b. If there is little to no transportation of the fuel (it is produced close to the fueling station), does it increase the score of project?**

(Answer) *No. The GHG associated with transportation of the fuel is integrated in the ARB Low Carbon Fuel Standard carbon pathway used to evaluate projects under Scoring Criterion #5. The evaluation will not take into account facility specific fuel transportation scenarios.*

54. Concerning Attachment 12- Localized Health, Outreach Efforts:

- a. Expand on definition of “community,” is it the surrounding city or zip code of project?**

(Answer) *The Energy Commission is required to prepare a Localized Health Impacts Report which provides analysis of the potential for localized health impacts to the communities that surround potential project sites. The term “community” is used to convey: (i.) existing city boundaries, (ii.) named communities within large cities, and (iii.) US Postal Code Service ZIP Code information. Refer to the California Air Resources Board document entitled “Proposed Screening Method for Low-Income Communities Highly Impacted by Air Pollution for AB 32 Assessments,” April 21, 2010, available at: <http://www.arb.ca.gov/cc/ab32publichealth/communitymethod.pdf>.*

- b. How much detail should be included in the outreach conducted? Should the applicant include flyers which would be sent out?**

(Answer) *The applicant must provide information with sufficient detail to adequately describe the planned outreach activities to agencies, community groups, and other affected stakeholders. The activities should communicate and educate about the project goals and the environmental impacts. The estimated quantity, planned locations, planned participants and intended audience of outreach activities should be included. Instead of including flyers, the applicant must provide descriptions of the flyers (existing or planned) --- their content, intention, frequency, audience, and planned distribution channels. The information about these activities will be attributed to the proposed project, analyzed, and included in the Localized Health Impacts Report described in #54, a. (above). The applicant must provide information about meetings, public discussion forums, and educational seminars they plan as outreach; and, this information must explain the environmental impacts (emission reductions, for example) of the proposed project to residents, companies, and community organizations.*