

# PROGRAM OPPORTUNITY NOTICE

## GEOHERMAL GRANT AND LOAN PROGRAM (also known as the GRDA Program)



PON-13-507

<http://www.energy.ca.gov/contracts/index.html>

State of California

California Energy Commission

May 2014

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# I. Introduction

## BACKGROUND

The California Energy Commission's (Energy Commission) Geothermal Grant and Loan Program was created in 1980 by Assembly Bill 1905 (Bosco, Chapter 139, Statutes of 1980) and has been in operation since 1981. **The overall mission of the program is to provide funding to promote development of California's vast geothermal energy resources, mitigate any adverse impacts caused by geothermal development, and help local jurisdictions offset the costs of providing public services necessitated by geothermal development.**

During its first decade, the program provided financial and technical assistance to local jurisdictions to support geothermal direct use, planning, and mitigation projects. In 1992, the program was expanded to extend financial assistance to private entities as well as local jurisdictions for a wide variety of geothermal research, development, planning and mitigation projects.

The program is often called the GRDA Program after its Geothermal Resources Development Account (GRDA) funding source. This funding comes from payments made to the State by the federal government for a portion of the royalty and lease revenues generated by geothermal development on federal lands in California. Typically, the Energy Commission makes funding awards roughly every two to three years through competitive project solicitations, such as this Program Opportunity Notice (PON).

California law [Public Resources Code (PRC), section 3800 et seq.] sets forth the operational parameters for the GRDA Program, including who is eligible for funding and what types of activities can be funded. (See Section II, Eligibility Requirements, for more information on eligible applicants and project activities. A link to the statute is also provided in the Reference Documents section of this PON.)

Regulations governing the program application and project selection process were initially established in 1985. They set forth the requirements and procedures for local jurisdictions and the Energy Commission to follow in awarding funding, including use of a two-step, pre-application and final application review process. However, several statutory changes affecting the administration of the program, as well as changes in Energy Commission practice, have been enacted since adoption of the regulations in 1985. The Energy Commission, therefore, recently amended the program regulations to bring them up to date and to also streamline the two-step application process into to a single application process. The amendments also clarify two statutory requirements by identifying what the Energy Commission will accept as documentation for local agency approval of grants or loans awarded to private entities, and by addressing the information needed for the Energy Commission to determine that a decision to approve funding for a project is in compliance with the California Environmental Quality Act (CEQA). The amended regulations for the program can be found in the California Code of Regulations, Title 20, sections 1660 through 1665, and Appendix A. (A link to the amended regulations is also provided in the Reference Documents section of this PON.)

## PURPOSE OF SOLICITATION

The purpose of this PON is to solicit grant funding applications from eligible local jurisdictions and private entities for geothermal energy-related projects in California. The proposed projects must not exceed twenty-six (26) months in length and must undertake activities addressing one or more of the functions allowed by the statute (including, but not limited to, local and regional geothermal planning; resource assessment and exploration; geothermal direct-use and electric

generation technology research and development; mitigation of geothermal development impacts; and provision of public services necessitated by geothermal development).

## KEY ACTIVITIES AND DATES

Key activities, including dates and times for this solicitation, are presented below. An addendum will be released if the dates change for the asterisked (\*) activities.

ACTIVITY	ACTION DATE
Solicitation Release	May 14, 2014
Deadline for Written Questions by 5:00 p.m.*	May 29, 2014
Pre-Application Workshop*	May 29, 2014
Distribute Questions/Answers and Addenda (if any) to Solicitation	June 5, 2014
<b>Deadline to Submit Applications by 3:00 p.m.*</b>	<b>July 15, 2014</b>
Anticipated Notice of Proposed Award (NOPA) Posting Date	September 9, 2014
Anticipated Energy Commission Business Meeting Date	December 10, 2014
Anticipated Agreement Start Date	January 21, 2015
Agreement Termination Date	March 31, 2017

## HOW AWARD IS DETERMINED

**This is a competitive solicitation.** Applications will be competitively scored and ranked based on the evaluation criteria identified in the PON. Of the applications receiving a passing score, applications with the highest overall average total score will be funded by rank until available funds are allocated. Grant agreements for the applications recommended for funding will then be developed and considered for approval at an Energy Commission Business Meeting.

## MAXIMUM AWARD AMOUNT AND FUNDING CAP

Up to \$5.8 million is available for grant agreements resulting from this PON. There is no maximum award amount; funding amounts will be based on the amount of funding requested in the project application.

However, the Energy Commission reserves the right to reduce the funding amount offered to an applicant in the event the budgeted funds do not provide for full funding of the selected applications. In this case, the applicant and the Commission Agreement Manager (CAM) will meet and reach agreement on a reduced scope of work commensurate with the level of funding available.

## PRE-APPLICATION WORKSHOP

There will be one Pre-Application Workshop; participation in the workshop is optional but encouraged. The Pre-Application Workshop will allow for interested party participation via in-person attendance, WebEx, or conference call at the date, time and location listed below. Please call (916) 654-4381 or refer to the Energy Commission's website at [www.energy.ca.gov/contracts/index.html](http://www.energy.ca.gov/contracts/index.html) to confirm the workshop date and time.

May 29, 2014  
9:00 AM  
California Energy Commission  
Hearing Room A  
1516 9th Street  
Sacramento, CA 95814

Topic: Geothermal Grant and Loan (GRDA) Program PON-13-507 Pre-Application Workshop  
Date: Thursday, May 29, 2014  
Time: 9:00 am, Pacific Daylight Time (San Francisco, GMT-07:00)

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COMPUTER LOGON  
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1. Please go to <https://energy.webex.com> and enter the unique meeting number: 920 143 731
  2. When prompted, enter your information and the following meeting password: [meeting@9](#)
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TELECONFERENCE  
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1. TO HAVE WEBEX CALL YOU BACK: Type your area code and phone number and click "Call Me"
2. TO CALL INTO THE TELECONFERENCE: Use the drop-down box to select "I will call in" and follow the on-screen directions
3. INTERNATIONAL CALLERS: Click on the "Global call-in number" link in part (2) above
4. TO LISTEN OVER THE COMPUTER: If you have the needed equipment and your computer is configured, click on "Use Computer Headset" and then "Call Using Computer" to use VoIP (Internet phone)

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: 920 143 731. International callers can select their number from <https://energy.webex.com/energy/globalcallin.php>

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TECHNICAL SUPPORT

For help with problems or questions trying to join or attend the meeting, please call WebEx Technical Support at 1-866-229-3239.

System Requirements: To see if your computer is compatible, visit <https://support.webex.com/MyAccountWeb/systemRequirement.do?root=Tools&parent=System> and refer to the WBS 28 section

Meeting Preparation: The playback of UCF (Universal Communications Format) rich media files requires appropriate players. To view this type of rich media files in the meeting, please check whether you have the players installed on your computer by going to <https://energy.webex.com/energy/systemdiagnosis.php>.

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CALENDAR

To add this meeting to your Microsoft Outlook or compatible calendar program, click the following link or copy the link and paste it into your Web browser:  
<https://energy.webex.com/energy/j.php?MTID=m48be711e4f11ca722e51ba67ff720ec3>

Thank you for working green by meeting online.  
<http://www.webex.com>

## QUESTIONS

During the PON process, all questions about the PON must be directed to the Commission Agreement Officer (CAO) listed in the following section. You may ask questions at the Pre-Application Workshop, and you may submit written questions via mail, e-mail, and by facsimile (FAX). However, all questions must be received by 5:00 pm on the date listed in the Key Activities and Dates table presented in this solicitation.

Question and answer sets will be e-mailed to all parties who attended the Pre-Application Workshop and provided their e-mail contact information on the sign-in sheet. The questions and answers will also be posted on the Energy Commission's website at: <http://www.energy.ca.gov/contracts/index.html>.

Any verbal communication with an Energy Commission employee concerning this PON is not binding on the Energy Commission and shall in no way alter a specification, term, or condition of the PON. Therefore, all communication should be directed in writing to the CAO assigned to the PON.

## CONTACT INFORMATION

Phil Dyer, Commission Agreement Officer  
California Energy Commission  
1516 Ninth Street, MS-18  
Sacramento, California 95814  
Telephone: (916) 654- 4651  
FAX: (916) 654-4423  
E-mail: Phil.Dyer@energy.ca.gov

## REFERENCE DOCUMENTS

Applicants responding to this PON may want to familiarize themselves with the following references:

- Public Resources Code, section 3800 et seq. (the law governing the GRDA Program). [http://www.energy.ca.gov/geothermal/grda\\_regs.html](http://www.energy.ca.gov/geothermal/grda_regs.html)
- Title 20, California Code of Regulations, chapter 4, article 7, sections 1660 through 1665, and Appendix A (the amended regulations governing the GRDA Program application and funding process). [www.energy.ca.gov/geothermal/grda\\_rulemaking/documents/grda\\_regulations\\_2014.pdf](http://www.energy.ca.gov/geothermal/grda_rulemaking/documents/grda_regulations_2014.pdf)

## II. Eligibility Requirements

### ELIGIBLE APPLICANTS

This PON is open to eligible local jurisdictions and private entities, as defined below.

- Eligible local jurisdiction means any city, county, or district, including, but not limited to, a regional planning agency or a public utility district, or any unit of Indian government in California that has geothermal resources or is impacted by geothermal development. However, an eligible public utility district does not include a public utility district that generates for sale more than 50 megawatts gross of electricity (Public Resources Code section 3807).
- Eligible private entity means any individual or organization engaged in the exploration and development of geothermal energy for profit (Public Resources Code section 3809).

An eligible local jurisdiction or private entity must be the PON applicant. Other entities, such as universities, national laboratories, state and federal agencies, or not-for-profit organizations, may participate in an application only as a project partner or sub-contractor.

All local jurisdiction applicants must submit with their application a resolution from their governing body approving submittal of the application (Public Resources Code section 3822(b)). (See Attachment 8 Sample Resolution by a Local Governmental Jurisdiction Applying for its Own Project)

To be eligible for funding, a private entity project must also meet the following conditions [as mandated by Public Resources Code section 3822 (g)]: (1) provide a minimum fifty percent (50%) match; (2) provide tangible benefits, as determined by the Energy Commission, to a local jurisdiction; and (3) if awarded funding, provide documentation that receipt of the grant is approved by the city, county, or Indian reservation within which the project is to be located.

Each agreement resulting from this PON includes terms and conditions that set forth the recipient's rights and responsibilities. The Energy Commission will not award agreements to non-complying entities. The Energy Commission reserves the right to modify the terms and conditions prior to executing agreements.

All eligible corporations, limited liability companies (LLCs) and limited partnerships (LPs) are required to register and be in good standing with the California Secretary of State prior to entering 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).

### ELIGIBLE PROJECTS

To qualify for funding, proposed projects must: (1) directly relate to geothermal energy or geothermal resources; (2) be located in California; and (3) fulfill one or more of the functions listed below (as authorized by Public Resources Code section 3823).

(a) Undertaking research and development projects relating to geothermal resource assessment and exploration, and/or direct-use and electric generation technologies.

(b) Local and regional planning and policy development and implementation necessary for compliance with programs required by local, state, or federal laws and regulations.

- (c) Identification of feasible measures that will mitigate the adverse impacts of the development of geothermal resources, and the adoption of ordinances, regulations, and guidelines to implement those measures.
- (d) Collecting baseline data and conducting environmental monitoring.
- (e) Preparation or revision of geothermal resource elements, or geothermal components of energy elements, for inclusion in the local general plan, zoning and other ordinances, and related planning and environmental documents.
- (f) Administrative costs incurred by the local jurisdiction that are attributable to the development or production of geothermal resources.
- (g) Monitoring and inspecting geothermal facilities and related activities to assure compliance with applicable laws, regulations, and ordinances.
- (h) Identifying, researching, and implementing feasible measures that will mitigate the adverse impacts of geothermal development or production.
- (i) Planning, constructing, providing, operating, and maintaining those public services and facilities that are necessitated by and result from geothermal development or production.
- (j) Undertaking projects demonstrating the technical and economic feasibility of geothermal direct heat or electrical generation applications.
- (k) Undertaking projects for the enhancement, restoration, or preservation of natural resources, including, but not limited to, water development, water quality improvement, fisheries enhancement, and park and recreation facilities and areas.

Please note that the Energy Commission will not fund bonds for drilling or construction, or private entity advertising, marketing or business plans. The program may co-fund project capital costs when justified by the applicant as necessary to advance needed geothermal science or technology.

Eligible applicants may submit more than one application to the PON as long as each application is for a separate and distinct project.

## **MATCH FUNDING REQUIREMENTS**

A match funding contribution is required to participate in this PON.

- Local jurisdiction applicants are required to provide a minimum twenty percent (20%) of the overall project cost as match funding contribution.
- Private entity applicants are required to provide a minimum fifty percent (50%) of the overall project cost as match funding contribution.

The sources and amounts of match funding must be discussed in the project narrative, as well as be identified and included in the application budget. The level of match funding provided will be evaluated and scored as part of the application evaluation process, with larger match funding percentages receiving more points.

A match funding contribution may be cash, equipment, and/or in-kind services provided by the applicant (or from other sources secured by the applicant) that will be dedicated to the proposed project. Staff time, laboratory space, equipment, and certain other grants, loans, or contracts may count toward the match contribution.

Staff time, laboratory space, equipment, and most property may be counted as match funding if the following criteria are met:

- a. The identified laboratory space, equipment, or property must be dedicated to the project for the entire length of time the space, equipment, or property is required by the project.
- b. The match contribution value of the equipment or property will be either (a) the depreciation reflected on applicant's books of accounts and financial statements for the term of the project, using generally accepted accounting practices, or (b) if the equipment is fully depreciated, a reasonable charge for the use of the equipment, based on cost, estimated useful life, and the amount of depreciation previously charged to government contracts or subcontracts. For fully depreciated equipment, the Energy Commission reserves the right to adjust the claimed value.
- c. If a piece of equipment is not solely dedicated to the project, the prorated value of the equipment by percentage of use by the project will count toward the match contribution.
- d. Values claimed as direct costs must be excluded from any cost pools used to calculate indirect cost rates.
- e. Property and equipment that do not qualify for match funding contribution include such items as standard office supplies and property, or equipment that is part of the applicant's normal business activity (desks, typewriters, telephones, computers, software, etc.).

**All match fund expenditures must be verifiable and must occur within the approved term of the grant agreement.**

In all cases, the Energy Commission reserves the right to review and approve or disapprove the crediting of contributions and the amounts of those contributions as match funding.

Prior investments in the project do not qualify as match funds. Funding from other Energy Commission projects, grants, or contracts does not qualify as match funding. If an eligible applicant has submitted more than one application to the PON, each application must identify separate and distinct match funding for each proposed project.

Proposed match funding must be spent concurrently with GRDA Program funds and only on the project elements described in the funding agreement. Both match funds and GRDA funds cannot be spent until the funding agreement is fully executed by the Energy Commission and the Recipient.

### III. Application Format, Required Documents, and Delivery

#### REQUIRED FORMAT FOR AN APPLICATION

This section contains the format requirements and instructions on how to submit an application. The format is prescribed to assist the applicant in meeting State requirements and to enable the Energy Commission to evaluate each application uniformly and fairly. Applicants must follow all application format instructions, answer all questions, and supply all requested data.

Please note also that an application cannot be “timed” to expire on a specific date. For example, a statement such as the following is considered non-responsive to the solicitation: “This application and the cost estimate are valid for 60 days.”

**Maximum number of pages:** While there is no page limit for the application as a whole, certain parts of the application have page limits. Please check the descriptions of each required item to make sure you comply with any page limits.

All applications submitted under this PON must be typed or printed single-spaced, using a standard 11-point font, a blank line between paragraphs and sections titled. Pages must be numbered and printed back-to-back. The application original should be bound only with a binder clip. Spiral or comb binding for application copies is preferred and tabs are encouraged. Binders are discouraged.

#### NUMBER OF COPIES

Applicants must submit the original and eight (8) copies of the application.

Applicants must also submit electronic files of the application on [CD-ROM or USB memory stick](#) along with the paper submittal. Only one CD-ROM or USB memory stick is needed. Electronic files must be in Microsoft Word XP (.doc format) and Excel Office Suite formats. Completed Budget Forms, Attachment 5, must be in Excel format. Electronic files submitted via e-mail will not be accepted.

#### PACKAGING AND LABELING

The original and copies of the application must be labeled "Program Opportunity Notice 13-507," and include the title of the application.

Include the following label information and deliver your application, in a sealed package:

Person's Name, Phone #	
Applicant's Name	
Street Address	
City, State, Zip Code	
FAX #	
	PON-13-507
	Contracts, Grants & Loans Office, MS-18
	California Energy Commission
	1516 Ninth Street, 1st Floor
	Sacramento, California 95814

## PREFERRED METHOD FOR DELIVERY

An applicant may deliver an application by:

- U. S. Mail
- In Person
- Courier service

Applications must be delivered to the Energy Commission Contracts, Grants and Loans Office during normal business hours and prior to the date and time specified in this PON. Applications received after the specified date and time are considered late and will not be accepted. There are **no exceptions** to the application submittal date and time. Postmark dates of mailing, e-mail and FAX transmissions are not acceptable in whole or in part, under any circumstances.

## APPLICATION ORGANIZATION

Cover Page/Application Form	Attachment 1, Cover Page/Application Form.
Table of Contents	
A. Project Narrative	
B. Project Team	
C. Scope of Work (SOW)	Attachment 2, SOW Template and Attachment 3, SOW Instructions.
D. Schedule	Attachment 4, Schedule.
E. Budget Forms	Attachment 5. See instructions for E below.
F. Contact List	Attachment 6, Contact List
G. CEQA Worksheet	Attachment 7
H. Local Jurisdiction Resolution (required for all local jurisdiction applications)	Attachment 8, Sample Local Jurisdiction Resolution

## INSTRUCTIONS FOR REQUIRED APPLICATION ELEMENTS

### Cover Page/Application Form

Each application must include a complete and signed Cover Page/Application Form (shown in Attachment 1). The application original must include an original Cover Page/Application Form signed by an authorized representative of the applicant's organization. This signature certifies that all information in the application is correct and complete to the best of the applicant's knowledge AND that the applicant has read the Terms and Conditions, and will accept them without negotiation if awarded funding.

### Table of Contents

Each application must include an appropriate Table of Contents that lists all elements of the application, along with the required attachments and any other documents provided.

## A. Project Narrative

Each application must include a Project Narrative that provides a detailed description of the proposed project and project activities; identifies the entity or entities that will own, operate and conduct the proposed project; and addresses all of the applicable bulleted items below, as well as each of the scoring criteria elements described in Section IV. The required information should be provided in sufficient detail to allow reviewers to evaluate the application against each of the scoring criteria identified. The project narrative should be no more than 25 pages.

### Required Project Narrative Elements:

- The overall purpose, goals and objectives of the proposed project.
- The need for the project.
- Related activities already undertaken.
- Benefits of the project to the local community.
- *For private entity applicants:* a detailed discussion of the tangible benefits provided to a local jurisdiction by the project, including a description of the identified benefits and how they are provided by the project.
- Other funding sources investigated or secured for the project.
- Anticipated effects of the project on geothermal energy development in the area, as well as local, regional and statewide effects.
- A detailed discussion of the tasks to be undertaken by the project, along with the purpose, goals, and objectives of each task.
- A description of the products that will result from the project and each task, with a detailed description of the purpose for and benefits of each product.
- A narrative discussion of the project schedule showing personnel requirements and a timeline for completing project tasks.
- A detailed discussion of the project CEQA analyses, assessments, or other documents sufficient to support an Energy Commission determination that a decision approving an award for the project is in compliance with CEQA. This information is in addition to, and should be consistent with, the information provided in Attachment 7, the CEQA Worksheet. The application should clearly identify the status of and timeline for project CEQA compliance, and include copies (as attachments) or working internet links to appropriate CEQA compliance supporting documentation.
- *for resource development projects that will directly result in revenue or energy savings,* provide a feasibility study (as an attachment) that includes all of the following:
  - a summary of conclusions;
  - a description of the geothermal project;
  - a discussion of the quality and availability of the geothermal resource, based on, but not limited to, technical evaluations such as water samplings, temperature and other logs, geophysical surveys, or flow tests;

- a schematic drawing including, but not limited to, well locations, distribution piping, structures, equipment and controls;
  - a table including, but not limited to, a description of any new equipment, itemized capital costs in current dollars, annual operating costs for the new geothermal system, and annual energy savings in current dollars and energy units; and a cash flow analysis table including, but not limited to, year-by-year estimates in current dollars of the energy cost of any existing non-geothermal systems, the energy cost associated with the proposed geothermal system, operation and maintenance costs associated with the proposed geothermal system, net energy savings, debt service, and net cash flow.
- *for private entity applicants:* a detailed discussion of how the applicant, if awarded a grant, will obtain approval for the grant from a representative of the city, county, or Indian reservation where the project is to be located, in accordance with Public Resources Code section 3822(g)(3).

**B. Project Team**

1. 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 CAM on all issues relating to the overall project and coordinating all aspects of work under the project.
2. For each individual, include company, position title, job description, individual resume (maximum of two pages), and contact information.
3. Include a letter of commitment from key project partners.
4. Provide a list of past projects detailing relevant technical and business experience.

**C. Scope of Work**

Each applicant must include a completed Scope of Work, using the template contained in Attachment 2. Please use a maximum of 10 pages for the detailed descriptions of all of the Technical Tasks, starting with Task 2.0.

Instructions for completing the Scope of Work as well as a sample are included in Attachment 3. **Electronic files for the Scope of Work must be in MS Word.**

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

**D. Schedule**

Each application must include a completed Schedule, using the template contained in Attachment 4. All work must be scheduled for completion by date.

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 MS Excel.**

The schedule of activities must conform to the tasks described in the Scope of Work.

## E. Budget Forms and Information

Task Summary	Attachment 5, Attachment B-1a
Category Summary	Attachment 5, Attachment B-1b
Prime Labor Rates	Attachment 5, Attachment B-2
Labor Rates for each Subcontractor	Attachment 5, Attachment B-2a-z
Prime Non-Labor Rates	Attachment 5, Attachment B-3
Non-Labor Rates for each Subcontractor	Attachment 5, Attachment B-3a-z
Direct Operating Expenses	Attachment 5, Attachment B-4
Match Funding	Attachment 5, Attachment B-5

1. The applicant must submit information on **all** of the attached budget forms, B-1 through B-5. All budget forms are required because they will be used to prepare the project grant agreement if the application is selected for funding.
2. Detailed instructions for completing the budget forms are included at the beginning of Attachment 5.
3. Rates and personnel classifications provided in the budget must reflect the rates and personnel classifications you would charge if you are chosen for funding under this solicitation. The salaries, rates, and other costs entered on these forms will become a part of the project grant agreement if the application is selected for funding. The entire term of the project and projected rate increases must be considered when preparing the budget. The rates provided in the budget will be considered rate caps and shall not change during the term of any funding agreement developed. Only **actual** rates, up to the rate caps, can be reimbursed. The hourly rates provided in all budget forms shall be unloaded (before fringe benefits, overheads, or general and administrative (G&A)).
4. The information provided in these forms will **not** be kept confidential.
5. **All project expenditures (match funding contribution and GRDA reimbursable funding) must be expended within the approved term of the grant funding agreement, to be developed if the application is selected for funding.** The requirements for match funding are presented in Section II of this PON.
6. The project budget should allow for expenses for 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 headquarters located in Sacramento, California.
7. Applicants should also budget for any permits, bonds, or insurance, etc., required by the proposed project. The Energy Commission will not pay for permitting, bonds, or insurance; therefore, these items should be accounted for under the match funding contribution.
8. The application budget should include costs for the preparation and submission of monthly progress reports (1-2 pages each) during the approved term of any grant agreement developed, as well as preparation of a Final Report. Instructions for preparing the Final Report will be provided to applicants selected for funding.

9. 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 the 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 agreement. *There are no disposition requirements for equipment purchased with match share funding.*
10. The application 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.
11. The application budget must **NOT** include any profit from the proposed project, either as a reimbursed item or as a match funding contribution. Please review the Grant Terms and Conditions for additional restrictions and requirements.
12. In addition to cost forms, applicants must submit letters of commitment identifying the source(s) and availability of match funding.
13. **IMPORTANT** - Payment of Prevailing Wage:  
**Applicants must read and pay particular attention to the Terms and Conditions, Attachment 9, and the section related to Public Works and Payment of Prevailing Wages.** Prevailing wage rates can be significantly higher than non-prevailing wage rates. Failure to pay legally-required prevailing wage rates can result in substantial damages and financial penalties, termination of the agreement, disruption of projects, and other complications. **Applicants must budget for prevailing wage in their application unless they already have a legally binding determination from the California Department of Industrial Relations or a court of competent jurisdiction that the proposed project is not a public work.**

#### **F. Contact List**

Each application must include a completed Attachment 6, Contact List, providing the contact information for the proposed project manager, administrator, accounting officer, and the person authorized to receive legal notices for the grant agreement if the application is selected for funding.

#### **G. CEQA Worksheet**

All applications must include a completed CEQA Worksheet (Attachment 7), in addition to the CEQA analyses, discussions and information provided as part of the project narrative. The Energy Commission requires this information to assist its own determination under the California Environmental Quality Act (Pub. Resources Code Section 21000 et.seq).

The CEQA Worksheet will help applicants to determine CEQA compliance obligations by identifying which parts of the project may trigger the need for CEQA review. If the project includes only activities that do not trigger CEQA, such as paper studies, then the worksheet will help identify and document this. Failure to complete the worksheet may result in disqualification of the application.

All information provided in the CEQA Worksheet must be consistent with the CEQA analyses and information provided as part of the project narrative. Applicants must also provide documentation of communication with the local agency with jurisdiction over the proposed project for purposes of complying with CEQA. Acceptable documentation includes a completed notice of exemption, a completed Initial Study and Negative Declaration or Environmental Impact Report, a letter from the local agency acknowledging their role in the CEQA process, or a CEQA Application to the lead agency that is stamped as received. If no CEQA review would be required by the local agency, provide documentation (letter or e-mail) from the local agency explaining why not.

Please note that the Energy Commission cannot approve funding for a project if that project includes activities that have not been assessed in accordance with CEQA. If an application is selected for funding but adequate documentation of CEQA compliance for project activities has not been provided, the applicant must provide that documentation before the Energy Commission can approve a funding award. Failure to provide adequate documentation of CEQA compliance in a timely fashion may result in cancellation of the proposed funding award.

#### **H. Local Jurisdiction Resolution**

All applications from local jurisdictions require a resolution from the local jurisdiction's governing body, authorizing submittal of the application. See Attachment 8 for a sample local jurisdiction resolution.

## IV. Evaluation Process and Criteria

### APPLICATION EVALUATION

This section explains how the applications will be evaluated. It describes the evaluation stages and scoring criteria for all applications.

An application will be evaluated and scored based on its responses to the information requested in this PON. The entire evaluation process from receipt of applications to posting of the NOPA is confidential.

To evaluate all applications, the Energy Commission will organize an Evaluation Committee. The Evaluation Committee may consist of Energy Commission staff or staff from other California governmental entities.

The applications will be evaluated in two stages:

#### Stage One: Screening Criteria

The Contracts, Grants and Loans Office will screen applications for compliance with the Administrative Screening Criteria identified below. The Evaluation Committee will screen applications for compliance with the Technical Screening Criteria identified below. Applications that fail any of the Administrative or Technical Screening Criteria shall be disqualified and eliminated from further evaluation.

#### Administrative Screening Criteria

1. The application is received by the Energy Commission's Grants and Loans Office by the specified due date and time in Section I of this PON.
2. The Cover Page/Application Form (Attachment 1) is complete, and is signed by the applicant's authorized representative.
3. The application does not contain confidential information or any portion marked confidential.
4. The Cover Page/Application Form is signed, indicating that the applicant agrees to the Sample Terms and Conditions (Attachment 9) and to meet all requirements of the PON.
5. The application does not include any statements that acceptance is based on modifications to those terms and conditions or separate terms and conditions.
6. The application is prepared in the prescribed format.
7. The budget forms are filled out completely.
8. The applicant provides the required minimum match funding contribution of 20% of the overall project cost for local jurisdictions and 50% of the overall project cost for private entity applicants (Section II, Match Funding Requirements).

#### Technical Screening Criteria

1. The applicant is an eligible applicant (Section II, Eligible Applicants).
2. The project is an eligible project (Section II, Eligible Projects).

## **Grounds to Reject an Application**

In addition to the Screening Criteria identified above, the Energy Commission reserves the right to reject an application and/or cancel an award if at any time during the application or agreement development process the following circumstances are discovered:

- The application contains false or intentionally misleading statements or references which do not support an attribute or condition contended by the applicant.
- The application is intended to erroneously and fallaciously mislead the State in its evaluation of the application and the attribute, condition, or capability is a requirement of this PON.
- The application does not literally comply or contains caveats that conflict with the PON and the variation or deviation is material or it is otherwise non-responsive.
- The applicant has previously received funding through a Public Interest Energy Research (PIER) agreement, has received the PIER Royalty Review letter which the Energy Commission annually sends out to remind past recipients of their obligations to pay royalties, and has not responded to the letter or is otherwise not in compliance with repaying royalties.

## **Stage Two: Technical and Cost Evaluation of Applications**

Applications passing Stage One will be submitted to the Evaluation Committee for review and scoring based on the Evaluation Criteria identified in this PON.

During the evaluation and selection process, the Evaluation Committee may schedule a clarification interview with an applicant, either held by telephone or in person at the Energy Commission, for the purpose of clarification and verification of information provided in the application. However, these interviews may not be used to change or add to the contents of the original application. Applicants will not be reimbursed for time spent answering clarifying questions.

The total score for each application will be the average of the combined scores of all Evaluation Committee members.

**A minimum score of 70 percent is required for the application to be eligible for funding.**

The Evaluation Committee will recommend proposed awards according to application scores, starting with the highest ranked eligible application.

## **NOTICE OF PROPOSED AWARD**

The results of the application review and recommendations for funding, including the rank order of eligible applicants and the amount of each proposed award, will be published in a Notice of Proposed Awards (NOPA). The Energy Commission will post a NOPA at the Energy Commission's headquarters in Sacramento, on the Energy Commission's Website, and will mail the NOPA to all parties that submitted an application.

## **DEBRIEFINGS**

Unsuccessful applicants may request a debriefing after the release of the NOPA. A request for debriefing must be received no later than 15 days after the NOPA is released.

## SCORING SCALE

Using this Scoring Scale, the Evaluation Committee will give a score for each criterion described in the Evaluation Criteria Table below.

<b>% of Possible Points</b>	<b>Interpretation</b>	<b>Explanation for Percentage Points</b>
0%	Not Responsive	Response does not include or fails to address the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
10-30%	Minimally Responsive	Response minimally addresses the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
40-60%	Inadequate	Response addresses the requirements being scored, but there are one or more omissions, flaws, or defects or the requirements are addressed in such a limited way that it results in a low degree of confidence in the information provided.
70%	Adequate	Response adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
80%	Good	Response fully addresses the requirements being scored with a good degree of confidence in the applicant's response or information provided. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
90%	Excellent	Response fully addresses the requirements being scored with a high degree of confidence in the applicant's response or information provided. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.
100%	Exceptional	All requirements are addressed with the highest degree of confidence in the applicant's response or information provided. The response exceeds the requirements in providing multiple enhancing features, such as a creative approach, or an exceptional methodology, process, or solution.

## EVALUATION CRITERIA

Criterion	Possible Points
<p><b>Demonstrated Need or Value</b></p> <ul style="list-style-type: none"> <li>• Does the application clearly identify and provide detailed justification for the need and/or value of the project as a whole, as well as justification for the need and/or value of each of the technical tasks or activities proposed?</li> <li>• Does the application clearly describe the validity and effectiveness of any technical approach proposed, as well as the soundness of the scientific and/or engineering principles involved?</li> <li>• Does the application identify and discuss any non-economic benefits of the proposed project/activities and who will receive those benefits?</li> <li>• Does the application identify and discuss any consequences that may result from not doing the proposed project?</li> <li>• Does the application include and address long-term considerations associated with proposed project activities, such as system maintenance, well plugging and abandonment, site restoration, or disposition of any equipment?</li> </ul>	<p>20 points</p>
<p><b>Proven Extent of the Resource</b></p> <ul style="list-style-type: none"> <li>• Does the application clearly identify and provide detailed information on the geothermal resource associated with the proposed project?</li> <li>• Does the application demonstrate sufficient knowledge and understanding of the geothermal resource, as well as local and regional conditions and/or barriers, to allow achievement of the proposed project goals and objectives, and successful completion of tasks?</li> <li>• Does the application identify the degree to which the geothermal resource is developed and capable of supporting the proposed project and/or benefiting from project activities?</li> <li>• Does the application include/address appropriate documentation, such as technical and/or economic feasibility studies, resource assessments and exploration data, environmental impact data, or other assessments, to support the resource information or statements provided in the application?</li> </ul>	<p>15 points</p>

<p><b>Contribution to Development of California’s Geothermal Energy</b></p> <ul style="list-style-type: none"> <li>• Does the application provide a discussion of the proposed project in relation to the current status of geothermal planning, research, development, or impact mitigation in California?</li> <li>• Does the application identify and discuss how and to what degree the project or project activities will contribute to the understanding and/or development of California’s geothermal energy resources?</li> </ul>	<p>15 points</p>
<p><b>Likelihood of Success</b></p> <ul style="list-style-type: none"> <li>• Does the application include a realistic schedule for completion of the project tasks (not to exceed 26 months), as well as clearly described products for each task and an appropriate budget?</li> <li>• Are the project tasks clearly defined and logically presented, with appropriate goals, objectives and products?</li> <li>• Does the application provide adequate documentation, discussion and justification that the project team has the technical and administrative qualifications, capabilities and specific experience necessary to successfully manage and complete the project tasks within the time allowed?</li> <li>• Does the application address and discuss the level of commitment to the project from the applicant and any project partners, including financial or match contribution commitment? Are letters of commitment or support provided? Is the match commitment secured or is it contingent upon something else?</li> <li>• Does the application demonstrate compliance with CEQA and provide the necessary supporting documents?</li> <li>• Does the application describe quantifiable/measurable technical, administrative, and economic performance goals and objectives for the project, including what criteria will be used to determine project successes and failures?</li> <li>• Does the application describe possible project barriers and how any necessary contingencies, improvements or corrections will be identified and implemented during the course of the project?</li> </ul>	<p>15 points</p>
<p><b>Public Involvement</b></p> <ul style="list-style-type: none"> <li>• Does the application address and discuss the level of interest in and/or commitment to the project from any interested parties or the general public? Are letters of public commitment or support provided?</li> <li>• Does the application include a sound plan for public outreach/involvement and communication of project results?</li> <li>• Does the application clearly demonstrate that the project team has the ability to prepare clear and well written documents and reports for a general public audience?</li> </ul>	<p>10 points</p>

<p><b>Payback and Cost Effectiveness</b></p> <ul style="list-style-type: none"> <li>• Is the overall project cost consistent with the proposed work and products to be provided?</li> <li>• Are the personnel rates/costs, operating expenses, and overhead rates/costs reasonable for the proposed work and consistent with the experience of the project team?</li> <li>• Is the requested level of GRDA funding reasonable and appropriate?</li> <li>• To what degree, if any, will project activities or products provide benefits or revenues sufficient to offset or pay back project investment?</li> </ul>	10 points		
<p><b>Economic and Employment Benefit</b></p> <ul style="list-style-type: none"> <li>• Does the application describe and quantify any expected economic and employment benefits from the proposed project, such as any economic or employment benefits associated with reduced energy or fuel costs, natural resource conservation, reduced environmental impacts, job creation, permitting or regulatory streamlining, tax revenue generation, or other measures of economic or employment benefit?</li> <li>• Does the application identify who will receive any economic and/or employment benefit(s) from the proposed project and the expected timeline for realizing those benefits?</li> </ul>	10 points		
<p><b>Match Contribution</b>  <u>[According to percentage of the overall project cost]</u></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><b>Local Jurisdiction</b></p> <ul style="list-style-type: none"> <li>• 20% (minimum) = 1 point</li> <li>• &gt;20% - 40% = 2 points</li> <li>• &gt;40% - 60% = 3 points</li> <li>• &gt;60% - 80% = 4 points</li> <li>• &gt;80% = 5 points</li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <p><b>Private Entity</b></p> <ul style="list-style-type: none"> <li>• 50% (minimum) = 1 point</li> <li>• &gt;50% - 60% = 2 points</li> <li>• &gt;60% - 70% = 3 points</li> <li>• &gt;70% - 80% = 4 points</li> <li>• &gt;80% = 5 points</li> </ul> </td> </tr> </table>	<p><b>Local Jurisdiction</b></p> <ul style="list-style-type: none"> <li>• 20% (minimum) = 1 point</li> <li>• &gt;20% - 40% = 2 points</li> <li>• &gt;40% - 60% = 3 points</li> <li>• &gt;60% - 80% = 4 points</li> <li>• &gt;80% = 5 points</li> </ul>	<p><b>Private Entity</b></p> <ul style="list-style-type: none"> <li>• 50% (minimum) = 1 point</li> <li>• &gt;50% - 60% = 2 points</li> <li>• &gt;60% - 70% = 3 points</li> <li>• &gt;70% - 80% = 4 points</li> <li>• &gt;80% = 5 points</li> </ul>	5 points
<p><b>Local Jurisdiction</b></p> <ul style="list-style-type: none"> <li>• 20% (minimum) = 1 point</li> <li>• &gt;20% - 40% = 2 points</li> <li>• &gt;40% - 60% = 3 points</li> <li>• &gt;60% - 80% = 4 points</li> <li>• &gt;80% = 5 points</li> </ul>	<p><b>Private Entity</b></p> <ul style="list-style-type: none"> <li>• 50% (minimum) = 1 point</li> <li>• &gt;50% - 60% = 2 points</li> <li>• &gt;60% - 70% = 3 points</li> <li>• &gt;70% - 80% = 4 points</li> <li>• &gt;80% = 5 points</li> </ul>		
<b>Total Possible Points</b>	100 points		
<b>Minimum Passing Score (70%)</b>	70 points		

## V. Administration

### DEFINITION OF KEY WORDS

Important definitions for this solicitation are presented below:

Word/Term	Definition
applicant	Respondent to this Program Opportunity Notice
application	Formal written response to this Program Opportunity Notice from an applicant
CAM	Commission Agreement Manager
CAO	Commission Agreement Officer
CEQA	California Environmental Quality Act
Energy Commission	California Energy Commission
GRDA	Geothermal Resources Development Account (the funding source for the Energy Commission's Geothermal Grant and Loan Program)
NOPA	Notice of Proposed Award
PON	Program Opportunity Notice, which refers to this entire solicitation document and all its attachments and exhibits
PRC	Public Resources Code
solicitation	Term used interchangeably throughout this document for Program Opportunity Notice or PON
State	State of California

### COST OF DEVELOPING APPLICATION

The applicant is responsible for the cost of developing an application, and this cost cannot be charged to the State.

### CONFIDENTIAL INFORMATION

The Energy Commission will not accept or retain any applications that have any portion marked confidential.

### SOLICITATION CANCELLATION AND AMENDMENTS

It is the policy of the Energy Commission not to solicit applications unless there is a bona fide intention to award funding via grant agreements with selected applicants. However, if it is in the State's best interest, 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 this solicitation as needed; or
- Reject any or all applications received in response to this solicitation.

If the solicitation is amended, the Energy Commission will send an addendum to all parties who requested the solicitation and will also post it on the Energy Commission's website at [www.energy.ca.gov/contracts](http://www.energy.ca.gov/contracts).

## **ERRORS**

If an applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation, the applicant shall immediately notify the Energy Commission of such error in writing and request modification or clarification of the document. Modifications or clarifications will be given by written notice of all parties who requested the solicitation, without divulging the source of the request for clarification. The Energy Commission shall not be responsible for failure to correct errors.

## **MODIFYING OR WITHDRAWAL OF APPLICATION**

An applicant may, by letter to the Commission Agreement Officer, withdraw or modify a submitted application before the deadline to submit applications. Applications cannot be changed after that date and time. As noted in Section III, an application cannot be "timed" to expire on a specific date. For example, a statement such as the following is non-responsive to the solicitation: "This application and the cost estimate are valid for 60 days."

## **IMMATERIAL DEFECT**

The Energy Commission may waive any immaterial defect or deviation contained in an applicant's application. The Energy Commission's waiver shall in no way modify the application or excuse the successful applicant from full compliance.

## **DISPOSITION OF APPLICANT'S DOCUMENTS**

The entire evaluation process from receipt of applications up to the posting of the Notice of Proposed Award is confidential. On the Notice of Proposed Award posting date, or date of solicitation cancellation, all applications and related material submitted in response to this solicitation become a part of the property of the State and public record. Applicants who want any work examples they submitted with their applications returned to them shall make this request and provide either sufficient postage, or a Courier Charge Code to fund the cost of returning the examples.

## **APPLICANTS' ADMONISHMENT**

This solicitation contains the instructions governing the requirements for a firm quotation to be submitted by interested applicants, the format in which the technical information is to be submitted, the material to be included, the requirements which must be met to be eligible for consideration, and applicant responsibilities. Applicants must take the responsibility to carefully read the entire solicitation, ask appropriate questions in a timely manner, submit all required responses in a complete manner by the required date and time, and make sure that all procedures and requirements of the solicitation are followed and appropriately addressed.

## **FUNDING AGREEMENT REQUIREMENTS**

The content of this solicitation shall be incorporated by reference into the final grant funding agreement developed for selected applications. See the sample grant agreement terms and conditions included in this solicitation. For drilling projects, documentation of compliance with applicable requirements of the regulatory agencies with authority over project well drilling and wells (such as the California Division of Oil, Gas, and Geothermal Resources) must be provided before the final grant payment will be released.

The Energy Commission reserves the right to negotiate with applicants to modify the project scope, the level of funding, or both. 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.

The Energy Commission must formally approve all proposed grant funding agreements. All agreements will be scheduled and considered at an Energy Commission Business Meeting for approval by the Energy Commission.

Eligible local jurisdictions must submit with their application an authorizing resolution approved by their governing authority designating an authorized representative to execute an agreement with the Energy Commission.

The Energy Commission will send the approved agreement, including the general Terms and Conditions and any additional terms and conditions, to the grant recipient for review, approval, and signature. Once the grant recipient signs, the Energy Commission will fully execute the agreement. Recipients are approved to begin the project only after full execution of the agreement.

### **NO AGREEMENT UNTIL SIGNED & APPROVED**

No agreement between the Energy Commission and the successful applicant is in effect until the agreement is signed by the Recipient, approved at an Energy Commission Business Meeting, and signed by the Energy Commission representative.

The Energy Commission reserves the right to modify the award documents prior to executing the agreement.