



California Energy Commission

Pre-Application Workshop - Geothermal Grant and Loan Program (GRDA Program)

**Program Opportunity Notice
PON-13-507**

**California Energy Commission
May 29, 2014**



Agenda

- Welcome
- Introduction (Section I)
- Eligibility Requirements (Section II)
- Application Format, Required Documents, and Delivery (Section III)
- Evaluation Process and Criteria (Section IV)
- Administration (Section V)
- Questions



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Purpose and Background

- **Purpose:**

Award up to \$5.8 million in grant funding to eligible local jurisdictions and private entities for geothermal-related projects in California.

- **Background:**

- The Geothermal Grant and Loan Program was created in 1980 by Assembly Bill 1905 (Bosco, Chapter 139, Statutes of 1980).
- The mission of the program is to promote development of California's vast geothermal energy resources, mitigate any adverse impacts from geothermal development, and help local jurisdictions offset the costs of providing public services necessitated by geothermal development.



Applicable Laws and Regulations

- **Law governing the GRDA Program:**

Public Resources Code (PRC), Section 3800 et seq.

www.energy.ca.gov/geothermal/grda_regs.html

- **Amended regulations governing the GRDA Program application and funding process:**

Title 20, California Code of Regulations (CCR), Chapter 4, Article 7, Sections 1660 through 1665, and Appendix A

www.energy.ca.gov/geothermal/grda_rulemaking/documents/grda_regulations_2014.pdf



Key Activities and Dates

ACTIVITY	ACTION DATE
Pre-Application Workshop	May 29, 2014
Deadline to Submit Written Questions concerning PON-13-507 (by 5:00 p.m.)	May 29, 2014
Distribute Questions/Answers and Addenda (if any) to PON-13-507	June 5, 2014
Deadline to Submit Applications – by 3:00 p.m.	July 15, 2014
Anticipated Notice of Proposed Award (NOPA)	September 9, 2014
Anticipated Commission Business Meeting Date	December 10, 2014
Project Completion Date	March 31, 2017



Available Funding and How Award is Determined

- Up to \$5.8 million in competitive awards
- No maximum award amount
- Applications scored and ranked based on Evaluation Criteria
- Minimum passing score is 70%
- Highest scoring applicants will receive funding; partial funding may be offered



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Eligible Applicants

Local Jurisdictions:

- ✓ 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.
- ✓ Does not include a public utility district that generates for sale more than 50 megawatts gross of electricity.

[PRC section 3807 and 20 CCR 1661(a)]

Private Entities:

- ✓ Any individual or organization engaged in the exploration and development of geothermal energy for profit.

[PRC section 3809 and 20 CCR 1661 (a)]



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 purposes authorized by Public Resources Code, section 3823.



Eligible Projects – Authorized Purposes

- (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.



Match Funding

- **Match funding is required to participate in this PON.**
 - Local jurisdictions: minimum twenty percent (20%) of the overall project cost.
 - Private entities: minimum fifty percent (50%) of the overall project cost.
- Match funding may be cash, equipment, and/or in-kind services that will be dedicated to the proposed project.
- **All match fund expenditures must be verifiable and occur within the approved term of the grant agreement.**



Additional Requirements

- An eligible local jurisdiction or private entity must be the PON applicant. Other entities 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.
- In addition to a minimum 50% match, private entity projects must provide:
 - tangible benefits to a local jurisdiction, and
 - if awarded funding, documentation that receipt of the grant is approved by the city, county, or Indian reservation within which the project is to be located.



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Required Format for an Application

- Typed or printed with standard 11-point font
- Single-spaced with blank line between paragraphs
- Include titles for each section, number all pages, and print back-to-back
- Original bound with binder clip only
- Spiral/comb binding for copies preferred and tabs encouraged.



Number of Copies and Format

- Submit 1 original and 8 copies
- Submit one CD-ROM or USB memory stick with electronic files of application
- Electronic files must be in Microsoft Word XP (.doc) and Microsoft Excel Office Suite (.xls)
- Completed Budget forms must be in Excel format.



Application Delivery

- **Packaging and Labeling:**
 - ✓ Original and copies must be labeled “Program Opportunity Notice 13-507” and include the title of the application.
 - ✓ Seal application and label as shown in Section III.
- **Preferred Method of Delivery:**
 - ✓ U.S. Mail, in person, or courier by **3:00 p.m., July 15, 2014.**
 - ✓ Postmarks, e-mail, and facsimile (FAX) are **not** accepted.



Application Organization

- Cover Page/ Application Form
- Table of Contents
- Project Narrative
- Project Team
- Scope of Work (SOW)
- Schedule
- Budget Forms
- Contact List
- CEQA Worksheet
- Local Jurisdiction Resolution *(required for all local jurisdiction applications)*



Required Application Documents

Cover Page/Application Form

- ✓ Must use the Application Form in Attachment 1.
- ✓ Must be signed by Authorized Representative.

Table of Contents

A. Project Narrative (25 pages maximum)

- ✓ Addresses all applicable bulleted items on pages 10 and 11 of the PON.
- ✓ Addresses scoring criteria elements in Section IV.
- ✓ Include sufficient detail to allow reviewers to evaluate against scoring criteria.



Required Application Documents (cont.)

B. Project Team

- ✓ Identify all Key Personnel, including the Project Manager, and describe their individual areas of responsibility.
- ✓ For each person provide name, company or department, title, job description, resume (2 pages max.) and contact information.
- ✓ Include letters of commitment from any Key Partners.
- ✓ Provide a list of past projects detailing relevant technical and business experience.



Required Application Documents (cont.)

C. Scope of Work (SOW)

- ✓ Complete the SOW using Attachment 2 (template), and Attachment 3 (instructions).
- ✓ Maximum of 10 pages for detailed descriptions of all Technical Tasks, starting with Task 2.0.
- ✓ Electronic files for SOW must be in MS Word.
- ✓ SOW and Project Narrative must be consistent.



Required Application Documents (cont.)

D. Schedule

- ✓ Complete the *Schedule of Products and Due Dates* using Attachment 4 (template).
- ✓ Each task in the SOW should be identified on the Schedule.
- ✓ Electronic files for Schedule must be in MS Excel.
- ✓ Projects must be completed no later than March 31, 2017.



Required Application Documents (cont.)

E. Budget Forms.

- ✓ Complete the Budget forms in MS Excel (.xls) format using Attachment 5.
- ✓ Submit Budget forms B-1 through B-5 as listed.
- ✓ Budget must be consistent with the SOW and Project Narrative.
- ✓ Information on forms will **not** be kept confidential.
- ✓ Application Budget must **not** include any profit from the proposed project.



Required Application Documents (cont.)

E. Budget Forms (cont.)

- ✓ Applicants must submit letters of commitment identifying sources and availability of match funding.
- ✓ If selected, all project expenditures must be expended within the approved term of the grant.

F. Contact List

- ✓ Each application must include a completed Attachment 6, Contact List.



Required Application Documents (cont.)

G. CEQA Worksheet

- ✓ Applicants must include a completed Attachment 7, CEQA Worksheet.
- ✓ Information provided must be consistent with CEQA analyses and information provided in the Project Narrative.
- ✓ The CEQA Worksheet will be used to determining what, if any, environmental review is necessary.
- ✓ Failure to provide adequate documentation of CEQA compliance in a timely fashion may result in cancellation of any proposed funding award.



Required Application Documents (cont.)

H. Local Jurisdiction Resolution

- ✓ All applications from local jurisdictions require a resolution from their governing body authorizing submittal of the application.
- ✓ See Attachment 8 for a sample local jurisdiction resolution.



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Application Evaluation

Stage One: Screening Criteria

- ✓ Applications will be screened for compliance with Administrative and Technical Screening Criteria.
- ✓ Applications that fail any of the Administrative or Technical Screening Criteria will 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 3:00 p.m. on July 15, 2014
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 the sample 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.



Technical Screening Criteria

1. The applicant is an eligible applicant.
(see slide 9)
2. The project is an eligible project.
(see slides 10 and 11)



Grounds to Reject an Application

- ❖ 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.



Application Evaluation (cont.)

Stage Two: Technical and Cost Evaluation of Applications

- Applications passing Stage One screening will be submitted to the Evaluation Committee to review and score based on the Evaluation Criteria.
 - 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 Energy Commission will propose awards, starting with the highest ranked project. Partial funding may be considered to maximize grant awards.



California Energy Commission

Technical Scoring Scale

% of Possible Points	Interpretation	Explanation for Percentage Points
0%	Not Responsive	<ul style="list-style-type: none"> ✓ 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	<ul style="list-style-type: none"> ✓ Response minimally addresses the requirements being scored. ✓ The omission(s), flaw(s), or defect(s) are significant and unacceptable.
40-60%	Inadequate	<ul style="list-style-type: none"> ✓ Response addresses the requirements being scored. ✓ 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	<ul style="list-style-type: none"> ✓ Response adequately addresses the requirements being scored. ✓ Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
80%	Good	<ul style="list-style-type: none"> ✓ 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	<ul style="list-style-type: none"> ✓ 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	<ul style="list-style-type: none"> ✓ 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.



Application Evaluation

- Evaluation Committee applies the scoring scale to the scoring criteria.
- A minimum passing score of 70% is required.
- Applicants should review the Evaluation Process and Criteria section (Section IV) of the PON and ensure that application provides a clear and complete response to each scoring criteria.

Scoring Criteria (pages 18 – 20)	Maximum Points
1. Demonstrated Need or Value	20
2. Proven Extent of the Resource	15
3. Contribution to Development of California’s Geothermal Energy	15
4. Likelihood of Success	15
5. Public Involvement	10
6. Payback and Cost Effectiveness	10
7. Economic and Employment Benefit	10
8. Match Contribution	5
Total	100
Minimum points to pass	70



Demonstrated Need or Value (20 points)

- 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?
- 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?
- Does the application identify and discuss any non-economic benefits of the proposed project/activities and who will receive those benefits?
- Does the application identify and discuss any consequences that may result from not doing the proposed project?
- 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?



Proven Extent of the Resource (15 points)

- Does the application clearly identify and provide detailed information on the geothermal resource associated with the proposed project?
- 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?
- 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?
- 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?



Contribution to Development of California's Geothermal Energy (15 points)

- 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?
- 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?



Likelihood of Success (15 points)

- 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?
- Are the project tasks clearly defined and logically presented, with appropriate goals, objectives and products?
- 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?
- 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?
- Does the application demonstrate compliance with CEQA and provide the necessary supporting documents?



Likelihood of Success (cont.)

- 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?
- 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?



Public Involvement (10 points)

- 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?
- Does the application include a sound plan for public outreach/ involvement and communication of project results?
- 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?



Payback and Cost Effectiveness (10 points)

- Is the overall project cost consistent with the proposed work and products to be provided?
- 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?
- Is the requested level of GRDA funding reasonable and appropriate?
- To what degree, if any, will project activities or products provide benefits or revenues sufficient to offset or pay back project investment?



Economic and Employment Benefit (10 points)

- 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?
- 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?



Match Contribution (5 points)

Local Jurisdiction

20% (minimum)	= 1 point
>20% - 40%	= 2 points
>40% - 60%	= 3 points
>60% - 80%	= 4 points
>80%	= 5 points

Private Entity

50% (minimum)	= 1 point
>50% - 60%	= 2 points
>60% - 70%	= 3 points
>70% - 80%	= 4 points
>80%	= 5 points



Notice of Proposed Awards

- The results of the rank order of proposed awards, and the amount of each proposed award will be posted in a NOPA on the Energy Commission's web site.
- In the event that a proposed awardee does not fulfill all document submittal requirements, the Energy Commission reserves the right to not fund the Applicant and instead fund the next highest ranked passing but unfunded eligible application.
- The Energy Commission is expected to consider proposed awards at the December 10, 2014 Business Meeting.



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Administration

- **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**
 - **Applicants cannot submit confidential information.**
 - All information submitted will become publicly available upon posting of the NOPA.
 - The Energy Commission will not accept or retain any applications that have any portion marked confidential.



Administration (cont.)

- **PON Cancellation and Amendments**
 - If it's in the State's best interest, the Energy Commission may:
 - Cancel the PON.
 - Revise the funding amounts.
 - Amend the PON.
 - Reject any or all applications.
- **Errors**
 - If an applicant discovers an error in the PON, 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 PON, without divulging the source of the request for clarification. The Commission shall not be responsible for failure to correct errors.



Administration (cont.)

- **Modifying or Withdrawal of Application**
 - An applicant may, by letter to the Contracts, Grants and Loans Office, withdraw or modify a submitted application **before** the deadline to submit applications.
- **Immaterial Defect**
 - The Energy Commission may waive any immaterial defect or deviation contained in an application. The Energy Commission's waiver shall in no way modify the application or excuse a successful applicant from full compliance.
- **Disposition of Applicant's Documents**
 - On the NOPA posting date all applications and related material submitted in response to this PON become a part of the property of the State and public record.



Grounds for Rejecting an Application

- **An Application will be rejected if:**
 - An application is received after 3:00 pm on July 15, 2014.
 - An application contains false or intentionally misleading information.
 - An application contains confidential information.
 - An applicant will not comply with the Sample Terms and Conditions in Attachment 9.
 - For Local Jurisdictions only: the application does not include a Local Jurisdiction Resolution authorizing submittal of the application.



Grounds for Rejecting an Application (cont.)

- **An Application may be rejected if:**
 - An application is not prepared in mandatory format.
 - An application is unsigned.
 - An application does not literally comply or contains caveats that conflict with the PON.
 - The Budget forms are not completed correctly.



Grant Agreement Requirements

- The Energy Commission reserves the right to negotiate with Applicants to modify the project SOW, the level of funding, or both.
- If the Energy Commission is unable to successfully negotiate and execute a grant 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.
- No grant agreement between the Energy Commission and a successful Applicant is in effect until the grant agreement is approved at an Energy Commission Business Meeting, signed by the Recipient, and signed by the Energy Commission representative.



Payment of Prevailing Wages

- Applicants must determine if the proposed project involves public works, and ensure that the project Budget for labor reflects all prevailing wage requirements.
- To determine if a proposed project involve public works, contact the California Department of Industrial Relations (DIR). If the Applicant is unsure whether the proposed project involve public works and has not received a determination from DIR that the project is not a public work, the Applicant is advised to prepare a Budget assuming that prevailing wage laws apply.
- If the proposed project is a public work, or is assumed to be a public work, the Applicant can contact DIR for a list of covered trades and the applicable prevailing wage. All grant agreements will include requirements for a public works project, such as paying prevailing wage, keeping payroll records, complying with working hour requirements, and apprenticeship obligations. See the Terms and Conditions (Attachment 9) for more information.



Questions and Answers

- **Deadline to submit questions is Thursday, May 29, 2014.**
- Ask questions at the workshop, or submit written questions to the Contracts, Grants and Loans Office, Commission Agreement Officer:
Phil.Dyer@energy.ca.gov
- The Energy Commission will post Q&As on June 5, 2014: www.energy.ca.gov/contracts/geothermal.html



PON Information

- **PON Application Manual and all attachments:**

www.energy.ca.gov/contracts/PON-13-507

- **Geothermal Grant and Loan Program (GRDA) web page:**

www.energy.ca.gov/geothermal/grda.html



Contact Information

PON-13-507

ATTN: Phil Dyer

Phil.Dyer@energy.ca.gov

Commission Agreement Officer

Contracts, Grants & Loans Office, MS-18

California Energy Commission

1516 Ninth Street

Sacramento, CA 95814



Questions