**GRANT FUNDING OPPORTUNITY**

**Distributed Electricity Backup Assets Program**

**Bulk Grid Asset Enhancements for Grid Reliability**



GFO-23-401**-01**

[Solicitation Information](http://www.energy.ca.gov/contracts/index.html)

<https://www.energy.ca.gov/funding-opportunities/solicitations>

State of California

California Energy Commission

~~[December 2023]~~

**Updated January 2024**

The purpose of this addendum is to notify potential applicants of changes that have been made to GFO-23-401. The addendum includes the following revisions to the Solicitation Manual. Added language appears in **bold underline**, and deleted language appears in ~~strikethrough~~ and within square brackets.

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# I. Introduction

## Purpose of Solicitation

This is a competitive grant solicitation. The California Energy Commission’s (CEC’s) Distributed Electricity Backup Assets (DEBA) Program announces the availability of up to $150 million in grant funds for the purchase and installation of efficiency upgrades and capacity additions to existing bulk grid power generators in California that will serve as emergency supply for the state’s electrical grid during extreme events (as defined in Public Resources Code [PRC] section 25790.5[b]). In accordance with the bulk grid assets in the loading order set forth in *Distributed Electricity Backup Assets* (*DEBA) Program Guidelines, First Edition*, this solicitation aims to fund eligible projects to strengthen electricity reliability and prioritizes 1) feasible, cost-effective zero- and low-emission resources, and then 2) feasible, cost-effective conventional resources. Grant funding under this solicitation is intended to accelerate project timelines and help fill gaps in the market that are preventing implementation of eligible projects. This solicitation can be referred to as the DEBA/Bulk Grid GFO.

## Background

Assembly Bill (AB) 205 (Ting, Chapter 61, Statutes of 2022) created the Strategic Reliability Reserve to support the state’s electric grid reliability during extreme events. PRC Section 25790(c) states, “As California transitions to a clean energy future and contends with climate impacts and other challenges, sufficient capacity of new and existing generation assets will be required to maintain reliability during extreme events.”

As part of the Strategic Reliability Reserve, the DEBA Program provides incentives for constructing cleaner and more efficient distributed energy assets. These distributed energy assets will serve as on-call emergency supply or load reduction for the state’s electrical grid during extreme events, such as heat waves. The DEBA Program also supports efficiency upgrades and capacity additions to existing bulk grid power generators in California that will support the state’s electrical grid during extreme events.

DEBA Program funding is authorized under Assembly Bill 180 (Ting, Chapter 44, Statutes of 2022) and Assembly Bill 102 (Ting, Chapter 38, Statutes of 2023) with a program budget of $595 million, $545 million of which was authorized in Fiscal Year 2021–2022 and the remainder in future years.

CEC staff anticipate releasing separate subsequent DEBA solicitations and program channels focused on Distributed Energy Resources (DERs) in the future.

## 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. Times listed are Pacific Standard Time or Pacific Daylight Time, whichever is being observed.

| **ACTIVITY** | **ACTION DATE** | **TIME** |
| --- | --- | --- |
| Solicitation Release | 12/07/2023 |  |
| Pre-Application Workshop\* | 12/18/2023 | 10:00 a.m. |
| Deadline for Written Questions\* | 1/05/2024 | 5:00 p.m. |
| Anticipated Distribution of Questions/Answers | Week of 1/22/2024 |  |
| **Deadline to Submit Applications\*** | **2/20/2024** | 11:59 p.m. |
| Anticipated Notice of Proposed Awards Posting | Week of 3/11/2024 |  |
| Anticipated CEC Business Meeting | May 2024 |  |

## How Award Is Determined

Applicants passing administrative and technical screening will compete based on evaluation criteria and will be scored and ranked based on those criteria. Unless CEC exercises any of its other rights regarding this solicitation (e.g., to cancel the solicitation or reduce funding), applications obtaining at least the minimum passing score will be recommended for funding in ranked order until all funds available under this solicitation are exhausted.

If the funds available under this solicitation are insufficient to fully fund a grant proposal, CEC reserves the right to recommend partially funding that proposal. In this event, the proposed Applicant/Awardee and Commission Agreement Manager (CAM) shall meet and attempt to reach agreement on a reduced scope of work commensurate with the level of available funding.

## Availability of Funds

A total of $150 million is available for awards under this solicitation.

* Up to $37.5 million of this amount is available only to projects located in local publicly owned electric utility service territories.

CEC, at its sole discretion, reserves the right to increase or decrease the amount of funds available under this solicitation.

**Along with any other rights and remedies available to it, the CEC reserves the right to:**

* **Allocate any additional or unawarded funds to passing applications, in rank order.**
* **Reallocate funding between the amount available to all applicants and the amount available only to projects located in local publicly owned electric utility service territories.**

## Minimum and Maximum Award Amounts

Projects for zero- or low-emission technologies (including, but not limited to, fuel cells or energy storage) at existing facilities may be awarded up to 70% of the total eligible project costs. Other projects may be awarded up to 50% of the total eligible project costs. The minimum award amount is $1 million, and the maximum award amount is $25 million.

## Award Payment Structure

The award will be disbursed based on monthly or quarterly progress reports demonstrating that satisfactory and continued progress is made towards achieving the project objectives.

## Maximum Number of Applications

Applicants may submit multiple applications under this solicitation. Each proposed project must be separate and distinct and adhere to all requirements contained in this solicitation.

## Pre-Application Workshop

There will be one Pre-Application Workshop; participation in this meeting is optional but encouraged. The Pre-Application Workshop will be held remotely through Zoom and conference call at the date, time and location listed below. Please call the Commission Agreement Officer (CAO) listed below or refer to [CEC's solicitation information website](https://www.energy.ca.gov/funding-opportunities/solicitations) at https://www.energy.ca.gov/funding-opportunities/solicitations to confirm the date and time.

**December 18, 2023**

10:00 a.m.

Via Zoom

## Participation Through Zoom

Zoom is the CEC's online meeting service. When attending remotely, presentations will appear on your computer/laptop/mobile device screen, and audio may be heard via the device or telephone. Please be aware that the Zoom meeting will be recorded.

**Zoom Instructions:**

To join this workshop, go to Zoom at: <https://energy.zoom.us/j/81159207761?pwd=ODdIYTNxOHhVQkQ3NHMzaklYT3UvZz09>. You may also access the workshop by going to the [Zoom webpage](https://join.zoom.us) at https://join.zoom.us and enter the unique meeting ID and password below:

**Meeting ID:** 811 5920 7761

**Meeting Password:** 769562

**Topic:** DEBA Bulk Grid Assets GFO Workshop

**Telephone Access Only:**

Call (888) 853-5257 or (888) 475-4499 (toll-free). When prompted, enter the unique meeting ID number above. To comment over the telephone, dial \*9 to “raise your hand” and \*6 to mute/unmute your phone line.

**Access by Mobile Device:**

Download the application from the [Zoom Download Center](https://energy.zoom.us/download), https://energy.zoom.us/download

**Technical Support:**

For assistance with problems or questions about joining or attending the meeting, please call Zoom technical support at (888) 799-9666 ext. 2, or you may contact the CEC’s Public Advisor’s Office at [publicadvisor@energy.ca.gov](mailto:publicadvisor@energy.ca.gov), or (916) 957-7910.

To determine whether your computer is compatible with Zoom, visit:

[this website](https://support.zoom.us/hc/en-us/articles/201362023-System-requirements-for-Windows-macOS-and-Linux): https://support.zoom.us/hc/en-us/articles/201362023-System-requirements-for-Windows-macOS-and-Linux.

## Questions

During the solicitation process, direct questions to the Commission Agreement Officer (CAO) listed in the Contact Information section below.

Applicants may ask questions at the Pre-Application Workshop and may submit written questions via e-mail to the CAO. However, all technical questions must be received by the deadline listed in the “Key Activities and Dates” table above.

The question and answer set will be posted on the [CEC’s solicitation information website](https://www.energy.ca.gov/funding-opportunities/solicitations) at www.energy.ca.gov/funding-opportunities/solicitations.

Questions received after the deadline may be answered at the CEC's discretion. Non-technical questions (e.g., questions concerning application format requirements or attachment instructions) may be submitted to the CAO at any time prior to 5:00 p.m. of the application deadline date.

Any verbal communication with a CEC employee concerning this solicitation is not binding on the State and shall in no way alter a specification, term, or condition of the solicitation. All communication must be directed in writing to the CAO assigned to the solicitation.

## Contact Information

Marissa Sutton, Commission Agreement Officer (CAO)

California Energy Commission

715 P Street, MS-1

Sacramento, California 95814

Telephone: (916) 237-2515

E-mail: Marissa.Sutton@energy.ca.gov

## Reference Documents

Applicants responding to this solicitation may want to familiarize themselves with the following document:

* Spivey, Hudson, Ashley Emery, Erik Lyon, O’Shea Bennett, and Pamela Doughman. October 2023. [*Distributed Electricity Backup Assets Program Guidelines*](https://www.energy.ca.gov/publications/2023/distributed-electricity-backup-assets-deba-program-guidelines-first-edition)*, First Edition*. California Energy Commission. Publication Number: CEC-300-2023-005-CMF. https://www.energy.ca.gov/publications/2023/distributed-electricity-backup-assets-deba-program-guidelines-first-edition.

# II. Eligibility Requirements

## Applicant Requirements

1. **Eligible Applicants**

This solicitation is open to all public and private entities. Applicants must intend to own or operate the eligible project.

1. **Terms and Conditions**

Each grant agreement resulting from this solicitation will include terms and conditions that set forth the grant recipient’s rights and responsibilities. By providing the authorizations and certifications required under this solicitation, each Applicant agrees to enter into an agreement, if awarded, with the CEC to conduct the proposed project according to the terms and conditions that correspond to its organization, without negotiation: (1) University of California and California State University terms and conditions or (2) standard terms and conditions.

In addition to the applicable terms and conditions listed above, the following terms and conditions may apply to the Applicant: Special Terms and Conditions for Federally recognized California Native American Tribes and California Tribal Organizations serving Federally recognized California Native American Tribes with Sovereign Immunity, in addition to the standard terms and conditions; and any other special terms and conditions required by the CEC. The standard terms and conditions (Attachment 11) are located at [CEC's funding resources website](https://www.energy.ca.gov/funding-opportunities/funding-resources) at https://www.energy.ca.gov/funding-opportunities/funding-resources.

Failure to agree to the terms and conditions by taking actions such as failing to provide the required authorizations and certifications or indicating that acceptance is based on modification of the terms may result in rejection of the application. Applicants must read the terms and conditions carefully. CEC reserves the right to modify the terms and conditions prior to executing grant agreements.

If a Federally recognized California Native American Tribe (Tribe) or a California Tribal Organization serving a Federally recognized California Native American Tribe (Tribal Organization) with sovereign immunity is listed as a proposed awardee in the Notice of Proposed Awards (NOPA), CEC staff must receive the following before bringing the proposed award to a Business Meeting, (a) resolution(s) or other authorizing document(s) by the governing body of the Tribe or Tribal Organization which:

i. Authorizes the Tribe or Tribal Organization to enter into the proposed agreement, including accepting the Special Terms and Conditions for Federally recognized California Native American Tribes and California Tribal Organizations Serving Federally recognized California Native American Tribes with Sovereign Immunity (see Attachment 12); and

ii. Approves a limited waiver of tribal sovereign immunity, to the extent that any such sovereign immunity exists, for any and all claims by the California Energy Commission that may arise relating to this Agreement and any remedies therefore under the laws of the state of California and the laws of the United States of America; and

iii. Consents to personal jurisdiction over the Tribe or Tribal Organization, and consents to venue in any court of the State of California and any federal court sitting in the State of California; and waives any and all claim that the Tribe or Tribal Organization may have, including without limitation that such court is an inconvenient forum, for the purposes of any proceeding related to this Agreement; and, with respect to a proceeding in a court of the State of California or a federal court sitting in the State of California, any requirement that tribal remedies must be exhausted; and

iv. Authorizes the Tribe or Tribal Organization to enter into the proposed agreement, including accepting the Special Terms and Conditions for Federally recognized California Native American Tribes and California Tribal Organizations Serving Federally recognized California Native American Tribes with Sovereign Immunity, including the Limited Waiver of Sovereign Immunity and Consent to Jurisdiction (See Attachment 12); and

v. Delegates authority to execute the proposed agreement to an appropriate individual.

The above requirements may be provided in one or more documents. The document(s) will be included as an exhibit to the resulting grant agreement.

**Delay in award.** Any delay in the Tribe or California Tribal Organization’s ability to provide the documentation specified in sections (i)-(v) above may result in delayed award of the grant agreement.

**Reservation of right to cancel proposed award.** Funds available under this solicitation have encumbrance deadlines which the CEC must meet in order to avoid expiration of the funds. In addition to any other rights reserved to it under this solicitation or that it otherwise has, the CEC reserves the right to cancel a proposed award if it determines, in its sole and absolute discretion, that the documentation described in sections (i)-(v) above would likely not be provided prior to an encumbrance deadline, and that the CEC’s ability to meet its encumbrance deadline may thereby be jeopardized. In this instance, the CEC may cancel the proposed award and award funds to the next highest scoring applicant.

1. **California Secretary of State Registration**

All corporations, limited liability companies (LLCs), limited partnerships (LPs) and limited liability partnerships (LLPs) that conduct intrastate business in California are required to be registered and in good standing with the California Secretary of State prior to its project being recommended for approval at a CEC Business Meeting. 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 proposed for funding). For more information, contact the Secretary of State’s Office via [the Secretary of State Office’s website](https://www.sos.ca.gov/) at www.sos.ca.gov. Sole proprietors using a fictitious business name must be registered with the appropriate county and provide evidence of registration to CEC prior to their project being recommended for approval at a CEC Business Meeting.

## Project Requirements

1. **Eligible Projects**

The purpose of this solicitation is to fund efficiency upgrades and capacity additions to existing bulk grid power generators. Eligible bulk grid projects must increase the nameplate capacity of an existing power generator or the power output of an existing facility that is interconnected in California to the bulk transmission grid. **The existing generator must be in commercial operation, operating and producing power, and already sending power to the bulk transmission grid prior to execution of the agreement.** Examples of eligible bulk grid asset project types include:

* Efficiency upgrades at existing power generators, such as:
  + Catalysts.
  + Inlet gas compressors.
  + Inlet air chillers.
  + Intercoolers.
  + Gas path upgrades.
  + Waste heat to power installations integrated into the facility.
* Energy storage, fuel cells, or linear generators sited at existing power generators **as co-located resources**.

Eligible projects cannot extend the estimated useful life of the power generator in contravention of the state’s climate and air quality requirements, such as “The 100 Percent Clean Energy Act of 2018” (Senate Bill 100, De León, Chapter 312, Statutes of 2018).

1. **Project Location**

Eligible projects must be located in California and interconnected to California’s bulk transmission grid.

1. **Minimum Project Capacity (MW and MWh)**

Eligible projects must be available to supply electricity at a minimum 5 MW of incremental “rated” capacity. The rated capacity is the power output level that can be sustained for at least 4 hours during net peak load hours (between 4 p.m. and 10 p.m.).

Eligible projects must be capable of providing a minimum of 20 MWh of incremental expected electricity supply during net peak load hours (between 4 p.m. and 10 p.m.).

1. **Resource Performance Requirements**

Incremental capacity resulting from an eligible projects must be made available during extreme events for a term of five years from project online date.

Eligible projects may be used, but are not required to be used, to meet resource adequacy requirements.

Incremental capacity resulting from an eligible project that is not used to meet resource adequacy requirements must comply with the availability and must-offer requirements that the applicable Local Regulatory Authority (LRA) and host California Balancing Authority (BA) apply to supply resources counted for Resource Adequacy. The incremental capacity is expected to be made available on a day-ahead and real-time basis to the host California Balancing Authority for economic and exceptional dispatch, consistent with the applicable requirements and eligible project’s operational capabilities.

Exceptions to the availability requirements for non-resource adequacy resources described above will be limited to force majeure events, such as equipment failures, or grid outages that prevent the export of generated power from the asset, though emergency operation to supply local load may still occur during a grid outage.

Power may not be under contract to be sold out of state during the months of May through October.

1. **Readiness**

Eligible projects must be completed and online no later than June 30, 2027.

In order to meet immediate grid reliability needs, it is imperative that the proposed technologies are commercially available. Eligible projects may include cutting-edge solutions that are readily accessible in the market, ensuring a seamless integration process and timely implementation. The emphasis on commercially available technologies aligns with our commitment to a rapid turnaround and the success of the program.

1. **Reporting and Measurement and Verification**

Approved Applicants must provide measurement and verification data and performance reports on the project according to a measurement verification plan approved by the CAM that includes, but is not limited to, the following:

* Annual performance reports at the end of each program season (by January 1st of the following calendar year) demonstrating availability and performance consistent with dispatch instructions during an Energy Emergency Alert (EEA) level of EEA Watch or above issued by a California Balancing Authority and a showing of the incremental capacity funded under this solicitation during any designated test events.
* Metrics or contract agreements summarizing participation in the Resource Adequacy (RA) market, if applicable.
* Verification that power is not under contract to be sold out of state during the months of May through October.
* If applicable, verification of compliance with regulations adopted pursuant to Part 2 (commencing with Section 38530) of, and Part 5 (commencing with Section 38570) of, the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code), including, but not limited to, the mandatory reporting of emissions of greenhouse gasses and market-based compliance mechanism.

## Eligible Project Costs

Costs incurred for the following activities are eligible for CEC reimbursement or as the Applicant’s match share:

* Project pre-engineering and design.
* Engineering plans and specifications.
* Project construction, modifications, and/or commissioning.
* Asset and/or equipment acquisition.
* Air emission control technologies necessary for the project to operate.

The CEC will not reimburse for land acquisition, but this may be counted towards match share. See Match Funding Requirements.

Eligible project costs must be net of any applicable federal tax credits.

Costs associated with maintaining status-quo operations, such as paying rent for the site, utility bills, insurance, and labor costs to support pre-existing labor levels are NOT eligible project costs under agreements resulting from this solicitation.

## Match Funding Requirements

Applicants for projects for zero- or low-emission technologies must include at least a 30% match of the total project cost net of applicable tax credits. Applicants for other projects must include at least a 50% match of the total project cost net of applicable tax credits.

“Match funding” or “match share” means cash or in-kind (non-cash) contributions provided by the Applicant/Recipient, subrecipients, or other parties that will be used in performance of the proposed project. Match share percentage is calculated by dividing the total match share contributions by the total allowable project cost. “Total allowable project cost” is the sum of the CEC’s reimbursable share and Recipient’s match share of the project costs. Match share expenditures have the following requirements:

1. All match share expenditures must conform to the terms and conditions of this solicitation and the resulting grant agreement.
2. Applicants must disclose the source and provide verification and documentation for the match share funding committed to the project. For any match share committed by a third party (i.e., other than match share committed by the Applicant), Applicants must submit a letter of commitment from each match share partner identifying the source(s) and availability of match funding.
3. During the term of the grant agreement, Recipients will be required to document and verify all match share expenditures through invoices submitted to CEC.
4. Match share funding may be in the form of cash or in-kind contributions such as donated labor hours, equipment, facilities, and other property.
5. Equipment, facilities, and property may count as match funds as long as the value of the contribution is based on documented market values or book values, prorated for its use in the project, and depreciated or amortized over the term of the project using generally accepted accounting principles (GAAP).
6. Match share expenditures (cash and/or in-kind) must be documented, reasonable, allowable, and allocable to the project as determined by CEC.
7. Match share expenditures are allowable under an agreement only if they are incurred after CEC notifies the Applicant that its project has been proposed for an award through the release of a Notice of Proposed Awards (NOPA). Match expenditures incurred after the release of a NOPA but prior to the execution of an agreement are made at the Applicant’s own risk. CEC is not liable for Applicant’s match share costs if the grant is not approved, if approval is delayed, or if the match share expenditure is not allowable under the terms and conditions of the grant or this solicitation. Please note that non-match expenditures incurred prior to agreement execution are not reimbursable from CEC funds.

Cash match means the net of any funds actually expended by the Applicant for the project. Net means after any sort of discount or rebate is applied. Expenditures for Applicant’s compensated labor hours, including allowable fringe benefit and overhead rates, travel, materials, supplies, equipment, subrecipient costs, and other miscellaneous expenditures may be claimed as cash match if the expenditures are included in the approved agreement budget, paid in full with funding sources other than grant funds, and supported with appropriate documentation, including proof of payment. For indirect overhead, backup documentation, such as a cost allocation plan based on actual expenditures incurred and paid, is required. Cost allocations must be reasonable and allocable to the proposed project.

In-kind match share contributions are: 1) non-cash contributions provided by the Applicant; 2) cash or non-cash contributions provided by subrecipients; and 3) cash or non-cash contributions provided by other third parties. Applicant in-kind match share can be in the form of volunteer labor, real property, existing equipment, existing supplies, services provided by a third-party or subcontract, and other expendable property. The value of in-kind match is based on the fair market value of the goods and services provided at the time it is claimed as match. In-kind match share must be included in the agreement budget and supported with appropriate documentation. Cost allocations must be reasonable and allocable to the proposed project.

**Match Share Restrictions**

1. **Other Sources of CEC Funding** – Other sources of CEC funding may not be claimed as match share. This includes block grants funded by the CEC.
2. **Property Not Owned by the Applicant** – Donated property may be claimed as match based on the fair market value of renting or leasing the property. Fair market value is based on rental costs of comparable property (if any), market conditions in the area, alternatives available and the type, life expectancy, condition, and value of the property.
3. **Existing Property Owned by the Grant Recipient** – Applicants may use the property’s depreciation expense as a method to allocate the value of the property to the project. Valuation will need to be documented to support the initial acquisition costs as well as the method of depreciation.
4. **Valuation of Land** –Land cannot be depreciated. If the value of land is claimed as match, the Applicant must provide documentation to support a fair market value for the use of the land (i.e., rent or lease cost) for the time period it is used. Appraised value of land cannot be used since this represents the full value of the land if it is sold which includes value beyond the term of the proposed project.
5. **Property Owned by a Related Party** –Related parties are individuals or other entities that are able to control or substantially influence the actions of the Applicant and includes spouses, board members, family members of principals or employees of the Applicant as well as property owned by principals/employees of the Applicant. Because an agreement between an Applicant and a related party is a “less than arms-length” transaction, Applicants must disclose the relationship between the Applicant and the related party and be able to support the fair market value of property that is claimed as match.

If CEC funds are used to reimburse lease/rental payments for property owned by a related party, the Applicant can only claim the **lesser** of fair market value or actual lease payments, regardless of lease agreement terms.

1. **Prorated Value of Property** – The allowable claimed value of property must be prorated based on the percentage the property is used for the proposed project. For example, if only half of a building is being used for the proposed project, then only 50% of the monthly fair market value of the entire building can be claimed as match while the building is being used for the project.
2. **Documentation**– If selected for an award, all claimed match share expenditures must be adequately documented to CEC during the agreement invoicing process which may include but is not limited to: the fair market value of existing property, methodology to allocate existing property on a prorated basis, lease agreements, and other appropriate documentation.

## Unallowable Costs (Costs Not Reimbursable or Eligible for Cost Share)

For an item of cost to be allowable for reimbursement with CEC funds, it must be included in the executed agreement budget and allowable per the terms and conditions of the resulting agreement. The following are examples of unallowable costs under an agreement resulting from this solicitation. This list is not comprehensive and additional items of cost may be unallowable in accordance with the agreement terms and conditions.

1. ***Discounted or Refunded Equipment Costs*** – For example, a claim that equipment costs $10,000 but the grant recipient only pays $6,000 due to some “special” discount. The difference of $4,000 is not an allowable cost share expense. Another example is if the grant recipient actually pays $10,000 but the vendor refunds $4,000 – only the net $6,000 is an allowable item of cost.
2. ***Photovoltaic Panels and Wind Turbine Costs*** – For example, an application for a project to add photovoltaic panels, wind turbines, and energy storage to an existing power generator interconnected to the bulk transmission grid. The cost of the photovoltaic panels and wind turbines are not allowable items of cost.
3. ***Permitting Costs*** – CEC will not reimburse expenditures for permitting or insurance.

# 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 CEC to evaluate each application uniformly and fairly. Applicants must follow all application format instructions, answer all questions, and supply all requested information.

All applications submitted under this solicitation must be typed or printed using a standard 11‑point font, single-spaced and a blank line between paragraphs. Pages must be numbered and sections titled.

## Method for Delivery

The only method of submitting applications to this solicitation is the CEC Grant Solicitation System (GSS), available at: https://gss.energy.ca.gov/. This online tool allows applicants to submit their electronic documents to the CEC prior to the date and time specified in this solicitation. Electronic files must be in Microsoft Word XP (.doc format) or newer and Excel Office Suite formats unless originally provided in the solicitation in another format. Attachments requiring signatures may be scanned and submitted in PDF format. Completed Budget Forms, (Attachment), must be in Excel format.

The deadline to submit grant applications through the CEC’s GSS is 11:59 p.m. The GSS system automatically closes at 11:59 pm. If the full submittal process has not been completed before 11:59 p.m., your application will not be considered. NO EXCEPTIONS will be entertained.

The CEC strongly encourages Applicants to upload and submit all applications by 5:00 p.m. because CEC staff will not be available after 5:00 p.m. or on weekends to assist with the upload process. And please note that while we endeavor to assist all would-be applicants, we can’t guarantee staff will be available for in-person consultation on the due date, so please plan accordingly.

Please give yourself ample time to complete all steps of the submission process: do not wait until right before the deadline to begin the process. Due to factors outside the CEC’s control and unrelated to the GSS system, upload times may be much longer than expected. For example, some past applicants experienced unexpected issues on their end, causing long delays that prevented timely submission. They spent significant time and resources on applications the CEC will not consider. Please plan accordingly. For instructions on how to apply using the GSS system, please see the [How to Apply document](https://www.energy.ca.gov/media/1654) available on the CEC website at: https://www.energy.ca.gov/media/1654.

First time users must register as a new user to access the system. Applicants will receive a confirmation email after all required documents have been successfully uploaded. A tutorial of the system will be provided at the pre-application workshop, and you may contact the Commission Agreement Officer identified in the Questions section of the solicitation for more assistance.

## Page Limitations

There are no page limitations.

## Application Content

All items listed below are required as part of the application package. Failure to provide any items may result in disqualification of the application. Attachment requirements are expanded and explained below in this section and in the attachments themselves.

| **Item** | **Attachment Number** |
| --- | --- |
| Application Form | Attachment 1 |
| Project Narrative | Attachment 2 |
| Project Team and Resumes | Attachment 3 |
| Scope of Work and Schedule | Attachment 4 |
| Budget Forms | Attachment 5 |
| CEQA/Environmental Compliance | Attachment 6 |
| Past Performance Reference Form(s) | Attachment 7 |
| Letter of Support | Attachment 8 |
| Applicant Declaration | Attachment 9 |
| Data Sharing Agreement | Attachment 10 |
| Terms and Conditions | Attachment 11 |
| Special Terms and Conditions for California Native American Tribes and Tribal Organizations with Sovereign Immunity | Attachment 12 |
| POU Letter of Interest Template | Attachment 13 |

1. **Application Form (Attachment 1) and Applicant Certifications**

The application must include the Application Form (Attachment 1). This form requests basic information about the applicant and the project. Please reference each individual attachment for a detailed description of the information requested by that attachment.

All Applicants must certify under penalty of perjury under the laws of the State of California that:

* I am authorized to submit this application on behalf of the Applicant.
* I authorize the CEC to make any inquiries necessary to verify the information presented in this application.
* I authorize the CEC to obtain business credit reports and make any inquiries necessary to verify and evaluate the financial condition of the Applicant.
* I have read and understand the terms and conditions contained in this solicitation. I accept the terms and conditions contained in this solicitation on behalf of the Applicant and the Applicant is willing to enter into an agreement with the CEC to conduct the proposed project according to the terms and conditions without negotiation.
* I certify that (1) this application does not contain any confidential or proprietary information, or (2) if confidential information is allowed under the solicitation, it has been properly identified.
* I certify under penalty of perjury under the laws of the State of California that, to the best of my knowledge, the information contained in this application is correct and complete.
* I am authorized to agree to the above certifications on behalf of the Applicant.

1. **Project Narrative (Attachment 2)**

This form will include the majority of the applicant’s responses to the Evaluation Criteria in Section IV.E. The project narrative must address each of the evaluation criteria in this solicitation by providing sufficient, unambiguous detail so that the Evaluation Committee will be able to evaluate the application against each evaluation criterion.

1. **Project Team and Resumes (Attachment 3)**

Identify all key personnel assigned to the project using the table in Attachment 3. “Key personnel” are individuals who are critical to the project due to their experience, knowledge, and/or capabilities. Include at a minimum the project manager, principal investigator (if applicable), and staff of any subrecipients (if applicable). Attach a resume for each individual (maximum of four pages total per resume).

1. **Scope of Work and Schedule (Attachment 4)**

Applicants must include a completed Scope of Work utilizing the template contained in Attachment 4. The description of activities proposed in the Project Narrative must conform to the tasks described in the Scope of Work. Electronic files for the Scope of Work must be in MS Word.

Applicants must present a comprehensive and credible Scope of Work which includes (presented in a logical manner) comprehensive and sequential tasks, products resulting from the individual tasks, and how the tasks are related to or are dependent on each other.

As noted in Attachment 4, the scope of work must include a timetable with the anticipated start and end months for each task identified. The project must be completed and online no later than June 30, 2027.

1. **Budget Forms (Attachment 5)**

The Applicant must submit information on ***all*** tabs of the budget forms. The salaries, rates, and other costs entered must reflect the salaries, rates, and other costs the Applicant would include if selected as a grant recipient. A separate set of complete budget forms is required for the Applicant and for each subaward containing $100,000 or more of CEC funds.

* + 1. Detailed instructions for completing these forms are included at the beginning of Attachment 5.
       1. Rates and job descriptions shown must reflect rates and job descriptions charged under an agreement resulting from this solicitation. The salaries, rates, and other costs entered on these forms become a part of the final agreement. The entire term of the agreement and projected rate increases must be considered when preparing the budget. Unless a federally approved indirect rate is used, indirect rates proposed are considered capped and shall not change during the term of the agreement. The grant recipient shall only be reimbursed for their actual rates up to the indirect rate cap. Unlike indirect rates, the rates for Direct Labor and Fringe Benefits are treated as estimates; a grant recipient can invoice at higher rates as long as it is only invoicing for actual expenditures it has made. The hourly or monthly rates provided shall be unloaded (before fringe benefits or indirect costs).
       2. The information provided in these forms will not be kept confidential.
       3. All reimbursable expenditures must be expended within the approved term of the grant agreement. Expenditures may be counted as match share only after CEC notifies the Applicant that its project has been proposed for an award through the release of a Notice of Proposed Awards (NOPA). However, match expenditures incurred after release of the NOPA but prior to the execution of a grant agreement are made solely at the Applicant’s own risk.
       4. Applicants must budget for the expenses of a Kick-off Meeting, at least one (1) Critical Project Review meeting, and a Final meeting. Meetings may be conducted at the CEC or remotely, as determined by the CAM.
       5. Applicants must budget for permits, insurance, etc. CEC will not reimburse expenditures for permitting or insurance.
       6. Applicants must budget for the preparation and submission of monthly or quarterly progress reports during the term of the agreement, and a Final Report. Instructions for preparing the Final Report will be provided to Applicants that are proposed for funding.
       7. 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 CEC funds will require disposition of purchased equipment at the end of the project. Typically, grant recipients may continue to utilize equipment purchased with CEC 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.
    2. The Budget must reflect estimates for actual costs to be incurred during the approved term of the agreement. CEC can only approve and reimburse for actual costs that are properly documented in accordance with the grant agreement terms and conditions.
    3. Applicants shall NOT budget for, and CANNOT be reimbursed for, more than their actual allowable expenses (i.e., the budget cannot include profit, fees, or markups) under the agreement. Subrecipients (all tiers) are allowed to include up to a maximum total of 10% profit, fees, or mark-ups on their own actual allowable expenses less any expenses budgeted to sub-subrecipients (i.e., profit, fees and markups are not allowed on lower tier subrecipient expenses). For example, if a subrecipient has $100,000 in actual allowable costs but has budgeted $20,000 to a sub-subrecipient, then the subrecipient can only include up to 10% profit on $80,000 ($100,000 minus $20,000). See terms and conditions for additional restrictions and requirements.

IMPORTANT – Payment of Prevailing Wage: Applicants must read and pay particular attention to the terms and conditions 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 grant agreement, disruption of projects, and other complications.

1. **CEQA/Environmental Compliance Form (Attachment 6)**

Applicants must include a completed CEQA/Environmental Compliance Form. CEC requires this information to assist it in making its own determination under the California Environmental Quality Act (Public Resources Code Section §§ 21000 et seq).

Applicants must complete the detailed CEQA/Environmental Compliance Form and submit it with their application. This form will help Applicants and CEC to determine CEQA compliance obligations by identifying which projects may require more extensive CEQA review. Failure to complete the form may lead to disqualification of the application.

Applicants are encouraged to provide documentation of communication with the local lead agency, if one exists (e.g., a county or city). Documentation could include a completed notice of exemption, a letter from the local agency acknowledging its role in the CEQA process, or a permit application to the lead agency that is stamped as received. If no CEQA review would be required by the local lead agency, provide documentation (e.g. a letter or e-mail) from the local agency explaining why CEQA review is not required.

1. **Past Performance Reference Form(s) (Attachment 7)**

Applicants must complete and submit a separate Past Performance Reference Form for each CEC agreement (e.g., contract, grant, or loan) received by the Applicant in the last 10 years, including ongoing agreements, and the 5 most recent agreements with other public agencies within the past 10 years.

1. **Letters of Support/Commitment (Attachment 8)**

Applicants must submit a funding commitment letter from each entity that is committing to providing funding. A commitment letter commits an entity or individual to providing the service or funding described in the letter. Letters of support may also be submitted but are not required. A support letter details an entity or individual’s support for the project.

* 1. **Key Project Partners (if applicable):** Key project partners identified in the application must provide letters demonstrating their commitment or support to the proposed project and their ability to fulfill their identified roles.
  2. **Third-party Match Funding Contributors Letters of Commitment (if applicable):** Any third-party match funding contributors must identify the intended amount of match that will be committed to the project, the funding source(s), and state that the cost share contributor will provide the identified funding. Letters of commitment from third party cost share contributors must contain a telephone number and email address to allow CEC to contact the cost share partner or representative to confirm their authority to commit funds to the proposed project.
  3. **Letters of Support (optional):** Applicants are encouraged to submit letter(s) of support that substantiate the estimated demand and/or the potential benefits of the proposed project. Third-party letters of support can be provided by, but are not limited to: air districts, state or federal agencies, local safety officials, potential users of the proposed project, and any other relevant organizations.

1. **Applicant Declaration (Attachment 9)**

This form requests the Applicant declare that they: are not delinquent on taxes nor suspended by the California Franchise Tax Board; are not being sued by any public agency or entity; are in compliance with the terms of all settlement agreements, if any, entered into with the CEC or another public agency or entity; are in compliance with all judgments, if any, issued against the Applicant in any matter to which the CEC or another public agency or entity is a party; are complying with any demand letter made on the Applicant by the CEC or another public agency or entity; and are not in active litigation with the CEC regarding the Applicant’s actions under a current or past contract, grant, or loan with the CEC. The declaration must be signed under penalty of perjury by an authorized representative of the applicant’s organization.

The CEC may have waived the requirement for a signature on application materials for this solicitation. If a notice regarding [CEC’s waiver of the signature requirement appears here](https://www.energy.ca.gov/funding-opportunities/solicitations): https://www.energy.ca.gov/funding-opportunities/solicitations, the waiver applies to this solicitation. In the event of a conflict between the notice and any language in this solicitation regarding signatures, the notice will govern.

1. **Data Sharing Agreement (Attachment 10)**

The application must include a data sharing agreement based on the data sharing agreement template, which addresses the following topics:

* Publicly available products
* Process for treating products submitted to the CEC as confidential
* Confidential products
* Inadvertent disclosure
* Related topics (such as limitation of agreement to products described in the scope of work and intellectual property).

1. **Terms and Conditions (Attachment 11)**

Each grant agreement resulting from this solicitation will include terms and conditions that set forth the grant recipient’s rights and responsibilities. By providing the authorizations and certifications required under this solicitation, each Applicant agrees to enter into an agreement, if awarded, with the CEC to conduct the proposed project according to the terms and conditions that correspond to its organization, without negotiation: (1) University of California and California State University terms and conditions or (2) standard terms and conditions.

1. **Special Terms and Conditions for California Native American Tribes and Tribal Organizations with Sovereign Immunity (Attachment 12)**

If a Federally recognized California Native American Tribe (Tribe) or a California Tribal Organization serving a Federally recognized California Native American Tribe (Tribal Organization) with sovereign immunity is listed as a proposed awardee in the Notice of Proposed Awards (NOPA), before bringing the proposed award to a Business Meeting, CEC staff must receive (a) resolution(s) or other authorizing document(s) by the governing body of the Tribe or Tribal Organization meeting the requirements specified in Section IV and Attachment 12.

1. **POU Letter of Interest Template (Attachment 13)**

Applications for projects that would provide funding to a local publicly owned electric utility (POU) do not require a governing board resolution to apply. However, a letter of interest from the utility director or general manager must be included with the application. The letter must include the date the POU plans to take the resolution to the governing board or city council, as applicable. The CEC must receive a copy of project approval from the POU governing board before an agreement can be executed. A template for this letter is provided in Attachment 13.

A public agency that receives funding under this solicitation must provide an authorizing resolution approved by its governing authority to enter into an agreement with CEC. The resolution must designate the authorized representative to sign the agreement with CEC.

# IV. Evaluation Process and Criteria

## Application Evaluation

This section explains how the applications will be evaluated.

Applications will be evaluated and scored based on the responses to the information requested in this solicitation and on any other information available such as past performance of CEC agreements. The entire evaluation process from receipt of applications to posting of the Notice of Proposed Award is confidential.

To evaluate all applications, CEC will organize an Evaluation Committee. The Evaluation Committee may consist of CEC staff or staff of other California state entities.

* 1. **Screening Criteria**

The Contracts, Grants and Loans Office will screen applications for compliance with the Administrative Screening Criteria. The Evaluation Committee will screen applications for compliance with the Technical Screening criteria.

Applications that fail any of the Administrative or Technical Screening Criteria shall be disqualified and eliminated from further evaluation.

* 1. **Administrative Screening Criteria (Pass/Fail)**

| **ADMINISTRATIVE Screening Criteria**  *The Application must pass ALL administrative screening criteria.* | **Pass/Fail** |
| --- | --- |
| 1. The application is received by the due date and time specified in the “Key Activities Schedule” in Section I of this solicitation. | Pass  Fail |
| 1. The requested funding falls within the minimum and maximum range specified in the solicitation. | Pass  Fail |

* 1. **Technical Screening Criteria (Pass/Fail)**

| **TECHNICAL Screening Criteria**  *The Application must pass ALL technical screening criteria.* | **Pass/Fail** |
| --- | --- |
| 1. The Applicant is an eligible applicant. | Pass  Fail |
| 1. The proposed project is an eligible project. | Pass  Fail |
| 1. If the Applicant has submitted more than one application, each application is for a distinct project. | Pass  Fail |
| 1. If applicant is the property owner, the proposal identifies and provides evidence of property ownership for all affected parcels. | Pass  Fail |
| 1. If a third-party provider (vendor or installer) is submitting the application on behalf of the intended owner/operator of the resource, a signed letter of authorization from the intended owner/operator is included as part of the application package specifying any authority or responsibility delegated to the third party. | Pass  Fail |
| 1. The Applicant passes the past performance screening criterion as described in Section IV.A.4. | Pass  Fail |

* 1. **Past Performance Screening Criterion (Pass/Fail)**

An Applicant may be disqualified under this solicitation due to severe performance issues under one or more prior or active CEC agreement(s) within the last 10 years. An Applicant is defined as at least one of the following: the business, principal investigator, or lead individual acting on behalf of themselves—received funds from the CEC (e.g., contract, grant, or loan) and entered into an agreement(s) with the CEC. Any Applicant that does not have an active or prior agreement equates to no severe performance issues and therefore would pass this screening criteria.

Severe performance issuesare characterized by significant negative outcomes under an agreement and may include:

* + Agreement was terminated with cause.
  + CEC filed litigation against the Applicant.
  + Severe audit findings are not resolved to CEC’s satisfaction. Severe audit findings may include but are not limited to: incomplete or unsatisfactory deliverables; grant funds used inappropriately (i.e., other than as represented); or questioned costs.
  + Project objectives were not met and were caused by factors that are, or should have been, within the Applicant’s control.
  + Significant delays in project completion resulting in delayed benefits for California. Project completion delays of one year or more from the originally proposed project schedule and caused by factors within the Applicant’s control may be considered significant.
  + Deliverables were not submitted to the CEC or were of poor quality. For example, Applicant delivered poorly written reports that required significant rework by staff prior to acceptance or publication.
  + Demonstrated and documented poor or delayed communication when significant issues or setbacks were experienced that materially and negatively impacted the project. For example, delays in informing the CEC when the Applicant experiences loss of a key project partner or site control may be considered significant.
  1. **Grounds to Reject an Application or Cancel an Award**

In addition to the Screening Criteria identified within this solicitation, CEC reserves the right to reject an application and/or cancel an award for reasons including, but not limited to the following:

1. The application contains false or intentionally misleading statements or references which do not support an attribute or condition contended by the Applicant.
2. 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 solicitation.
3. The application does not comply or contains caveats that conflict with the solicitation and the variation or deviation is material or it is otherwise non-responsive.
   1. **Technical Evaluation**

Applications passing all screening criteria will be submitted to the Evaluation Committee to review and score based on the Evaluation Criteria using the Scoring Scale described below.

The Evaluation Committee reserves the right to schedule a clarification interview with an Applicant to clarify and/or verify information submitted 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 for Criterion 1, 70 percent for Criterion 2, 70 percent for Criterion 3, and 70 percent for Criterion 1-6 is required for the application to be eligible for funding.

The Evaluation Committee will recommend awards to the highest ranked projects (according to final overall application score) among the applications eligible for funding until available funding under this solicitation has been exhausted.

## Notice of Proposed Awards

The results of the evaluation will be posted in a Notice of Proposed Awards (NOPA) and will include (1) the total proposed funding amount; (2) the score of Applicants; and (3) the amount of each proposed award. CEC will publish the NOPA on the CEC’s website.

## Debriefings

Applicants that are not proposed for funding may request a debriefing after the release of the NOPA by e-mailing the CAO listed in Part I. A request for debriefing should be received no later than 15 calendar 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.

| **% of Possible Points** | **Interpretation** | **Explanation for Percentage Points** |
| --- | --- | --- |
| 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 proposed solution. |
| 70% | Adequate | Response adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable. |
| 75% | Between Adequate and Good | Response better than 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 proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable. |
| 85% | Between Good and Excellent | Response fully addresses the requirements being scored with a better than good degree of confidence in the Applicant’s response or proposed solution. 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 proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations. |
| 95% | Between Excellent and Exceptional | Response fully addresses the requirements being scored with a better than excellent degree of confidence in the Applicant’s response or proposed solution. 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 proposed solution. The response exceeds the requirements in providing multiple enhancing features, a creative approach, or an exceptional solution. |

## Evaluation Criteria

Using the Scoring Scale described in Section IV.D, the Evaluation Committee will give a score for each criterion described below.

A minimum score of 70 percent for Criterion 1, 70 percent for Criterion 2, 70 percent for Criterion 3, and 70 percent for Criterion 1-6 is required for the application to be eligible for funding.

| **Criteria** | **Possible Points** |
| --- | --- |
| **Statement of Financial Need**  The application identifies, documents, and justifies the degree to which DEBA funding is essential to address market and financial barriers that hinder project development in the absence of state assistance from the DEBA Program, due to factors such as:   * Existing and anticipated revenue streams, including Resource Adequacy contracts, and the timelines for qualifying for these. * Ability to access feasible project financing. | 10 |
| **Minimum Passing Score for Criterion 1 is 70% or 7.0 points** |  |
| **Contribution to Reliability**  The application will be evaluated on:   1. The additional capacity (in MW) the project can deliver. 2. The number of hours generally and during peak load hours (between the hours of 4 p.m. and 10 p.m.) that the project would be capable of operating. 3. The degree to which: 4. The project will support grid reliability during peak load. 5. The project will (1) restore capacity to offset ambient derates due to high ambient temperature, (2) increase nameplate capacity or power output from the facility, or (3) both. 6. The project will leverage the existing interconnection to integrate the incremental power resulting from the project (please describe the existing interconnection for the facility). 7. The incremental capacity incentivized by DEBA will be committed to the Resource Adequacy (or other similar) market and on what timeline. 8. The incremental capacity incentivized by DEBA will be able to serve load through the bulk transmission grid without substantially impacting other reliability assets under net peak load . 9. Successful performance during emergency events may be impacted by any reasonable limitations or exceptions. | 25 |
| **Minimum Passing Score for Criterion 2 is 70% or 17.5 points** |  |
| **Project Readiness and Workplan**  The application will be evaluated on:   1. The estimated date by which the project will be complete and fully operational. 2. The degree to which the proposal justifies this timeline. 3. Each of the following aspects of the workplan: 4. A reasonable approach to performing the work by the estimated project completion date with a clear description of all project tasks and subtasks, with identified outcomes and deliverables. 5. The location of the project, including whether the project is located on the site of an existing power generator and site control has been obtained. 6. Any required ministerial or discretionary permits or other entitlements for use and associated CEQA studies (e.g., exemption, initial study, negative declaration, environmental impact report) for the project, including a permitting schedule that ensures successful project completion within the timeframes specified in the project workplan and timeline. 7. Any utility or balancing authority interconnection studies or approvals, or both, that must be completed for the project to begin operations, including a schedule that ensures successful project completion within the timeframes specified in the project workplan and timeline. 8. Any additional factors that may impact project completion within the timeframes specified in the project workplan and timeline, including, but not limited to: risks, barriers, supply chain issues, schedules for operations, climate or weather considerations, financing, and other limitations, and how these will be addressed to successfully complete the project within the estimated project timeline. | 20 |
| **Minimum Passing Score for Criterion 3 is 70% or 14 points** |  |
| **Climate and Air Quality Requirements**  The application will be evaluated on the degree to which:   1. The application describes any existing required greenhouse gas or other emissions reporting requirements that apply to the facility. 2. The installation and operation of the project (1) will result in a net decrease in greenhouse gas or criteria air pollutant emissions; or (2) will not result in an increase in greenhouse gas or criteria air pollutant emissions in California. 3. The completion of the project will result in any required modifications of air permits. | 15 |
| **Project Budget and Cost Effectiveness**  The application will be evaluated on the degree to which:   1. The proposed project’s budget minimizes DEBA funding per MW of the proposed incremental rated capacity. 2. The proposed match funding is documented, already secured, reasonable, available, and verifiable. 3. The financial ability of the Applicant and key project partners to successfully implement the proposed project and continue operations for the duration of the DEBA contract term and beyond. 4. The financial plan identifies project risks and effective strategies to manage and mitigate those risks. 5. The budget is reasonable and justified, and the budget forms are filled out completely and accurately. | 20 |
| **Reporting and Measurement and Verification Plan**  The application will be evaluated on the degree to which:   1. The performance of the project during an emergency event will be demonstrable through a clear and reasonable reporting and measurement and verification plan (such as dates and times power is bid into the market and the amount of additional power generated), including metering, documentation, and CEC’s ability to verify. 2. The timeline required for obtaining and reporting the relevant emergency performance data to the CEC for verification is timely (by January 1st of the following calendar year) and reasonable. | 10 |
| **Total Possible Points**  **Minimum Passing Score for Criteria 1 – 6 is 70% or 70.0 points** | 100 |

## Tie Breakers

If the score for two or more applications are tied and funding is available for only one of the applications, the application with a higher score in the Contribution to Reliability criterion will be ranked higher. If still tied, the application with a higher score for the Climate and Air Quality Requirements criterion will be ranked higher. If still tied, a higher rank will be given in accordance with the bulk grid assets in the loading order specified in *Distributed Electricity Backup Assets (DEBA) Program Guidelines, First Edition*, which prioritizes 1) feasible, cost-effective renewable and zero-emission resources, and then 2) feasible, cost-effective conventional resources.

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# V. Administration

## Definition of Key Words

Important definitions for this solicitation are presented below:

| **Word/Term** | **Definition** |
| --- | --- |
| Applicant | Respondent to this solicitation |
| Application | Formal written response to this document from applicant |
| Bulk Grid Asset | Efficiency upgrades and capacity additions to existing power generators interconnected to the bulk electricity transmission grid in California. |
| California Tribal Organization serving a Federally recognized California Native American Tribe | A corporation, association, or group controlled, sanctioned, or chartered by a Federally recognized California Native American Tribe that is subject to its laws, or the laws of the United States. |
| CAM | Commission Agreement Manager |
| CAO | Commission Agreement Officer |
| CEC | California Energy Commission |
| **Co-located Resource** | **A generating unit or energy storage device with a unique resource identifier (Resource ID) that is part of a generating facility with other generating units or energy storage facility. An energy imbalance market participating resource with a unique Resource ID that is part of a single resource with other energy imbalance market participating resources. For more information, see the** [**California ISO Business Practice Manual Definitions and Acronyms**](https://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Definitions%20and%20Acronyms) **(https://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Definitions%20and%20Acronyms).** |
| **Energy storage** | **Resources interconnected to the bulk transmission grid in California that can be dispatched to any operating level within their entire capacity range but are also constrained by a MWh limit to generate energy or store energy.** |
| Extreme Events | An extreme event is defined in Public Resources Code Section 25790.5(b) to mean either of the following:   * An event occurring at a time and place in which weather, climate, or environmental conditions, including temperature, precipitation, drought, fire, or flooding, present a level of risk that would constitute or exceed a one-in-ten event, as referred to by the North American Electric Reliability Corporation, including when forecast in advance by a load-serving entity or local publicly owned electric utility. * An event where emergency measures are taken by a California balancing authority, including when forecast in advance by the California balancing authority. |
| Federally recognized California Native American Tribe | A Native American Tribe located in California that is on the United States Department of the Interior’s list of Indian Entities Recognized by and Eligible to Receive Services From the United States Bureau of Indian Affairs, in the federal register, and the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004. |
| **Generator** | **A generating facility or generating unit.** |
| **Generating facility** | **An Interconnection Customer's Generating Unit(s) used for the production and/or storage for later injection of electricity identified in the interconnection request. This does not include the interconnection customer's interconnection facilities. For more information, see the** [**California ISO Business Practice Manual Definitions and Acronyms**](https://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Definitions%20and%20Acronyms) **(https://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Definitions%20and%20Acronyms).** |
| **Generating unit** | **An individual electric generator interconnected to the bulk transmission grid in California and its associated plant and apparatus whose electrical output is capable of being separately identified and metered or a physical scheduling plant capable of producing and delivering energy in excess of a generating station’s internal power requirements. For more information, see the** [**California ISO Business Practice Manual Definitions and Acronyms**](https://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Definitions%20and%20Acronyms) **(https://bpmcm.caiso.com/Pages/BPMDetails.aspx?BPM=Definitions%20and%20Acronyms).** |
| Solicitation | Grant Funding Opportunity, which refers to this entire solicitation document and all its attachments and exhibits |
| State | State of California |
| **Subrecipient** | **Subrecipient is defined on the California Energy Commission's** [**"Budget Category Guidance" web page**](https://www.energy.ca.gov/funding-opportunities/funding-resources/ecams-resources/budget-category-guidance) **(https://www.energy.ca.gov/funding-opportunities/funding-resources/ecams-resources/budget-category-guidance) as follows:**    **A subrecipient is defined as an entity that receives grant funds directly from the Recipient and is entrusted by the Recipient to make decisions about how to conduct some of the grant’s activities. A Subrecipient’s role involves discretion over grant activities and is not merely just selling goods or services. Characteristics which support the classification of the entity as a subrecipient include when the entity:**  **1. Has its performance measured in relation to whether objectives of a CEC program were met;**  **2. Has responsibility for programmatic decision-making;**  **3. Is responsible for adherence to applicable CEC program requirements specified in the CEC award agreement;**  **4. In accordance with its agreement, uses the CEC funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the recipient or sub-recipient; or,**  **5. Provides match share funding contributions to the CEC-funded project."** |
| **Zero- or low-emission technologies** | **For this solicitation, zero- or low-emission technologies are technologies eligible for this solicitation as specified in Section II.B., (including, but not limited to, fuel cells, energy storage, or linear generators sited at existing power generators) except for technologies that use the combustion of fossil fuels to generate electricity.** |

## 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

CEC will not accept or retain any applications that have any portion marked confidential.

## Solicitation Cancellation and Amendments

It is CEC’s policy not to solicit applications unless there is a bona fide intention to award an agreement. However, if it is in the State’s best interest, CEC reserves the right, in addition to any other rights it has, to do any of the following:

* Cancel this solicitation;
* Revise the amount of funds available under this solicitation;
* Amend this solicitation as needed; and/or
* Reject any or all applications received in response to this solicitation.

If the solicitation is amended, CEC will post an addendum on [CEC’s solicitation information website](https://www.energy.ca.gov/funding-opportunities/solicitations) at www.energy.ca.gov/funding-opportunities/solicitations.

## Errors

If an Applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation at any time prior to 5:00 p.m. of the application deadline date, the Applicant should immediately notify CEC of the error in writing and request modification or clarification of the solicitation. The CEC will provide modifications or clarifications by written notice to all entities that requested the solicitation, without divulging the source of the request for clarification. The CEC shall not be responsible for failure to correct errors.

## Modifying or Recalling an Application

An Applicant may recall or modify a submitted application before the deadline to submit applications. Applications cannot be changed after that date and time. 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 CEC may waive any immaterial defect or deviation contained in an applicant’s application. CEC’s waiver shall in no way modify the application or excuse an Applicant proposed for funding from full compliance with solicitation requirements.

## 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’ 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 are responsible for carefully reading the entire solicitation, asking appropriate questions in a timely manner, submitting all required responses in a complete manner by the required date and time, and making sure that all procedures and requirements of the solicitation are followed and appropriately addressed.

## Agreement Requirements

The content of this solicitation shall be incorporated by reference into the final agreement. See the standard terms and conditions (Attachment 11) on the [CEC Funding Resources page](https://www.energy.ca.gov/funding-opportunities/funding-resources) at: https://www.energy.ca.gov/funding-opportunities/funding-resources. This information is also in Section II.A.2.

CEC reserves the right to negotiate with Applicants to modify the project scope, the level of funding, or both. If CEC is unable to successfully negotiate and execute a funding agreement with an Applicant, CEC, at its sole discretion, reserves the right to cancel the pending award and fund the next highest ranked eligible project.

CEC must formally approve all proposed grant awards.

Public agencies that receive funding under this solicitation must provide an authorizing resolution approved by their governing authority to enter into an agreement with CEC and designating an authorized representative to sign. This resolution is required before the agreement can be executed.

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

## No Agreement Until Signed and Approved

No agreement between CEC and an Applicant is in effect until the agreement is approved at a CEC Business Meeting, and the agreement is signed by both the grant recipient and the CEC.

CEC reserves the right to modify the award documents prior to executing the agreement.

## Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and  
individuals. “Economic Sanctions” refers to sanctions imposed by the U.S.  
government in response to Russia’s actions in Ukraine, as well as any sanctions  
imposed under state law. By submitting a bid or proposal, Applicant represents  
that it is not a target of Economic Sanctions. Should the State determine  
Applicant is a target of Economic Sanctions or is conducting prohibited  
transactions with sanctioned individuals or entities, that shall be grounds for  
rejection of the Applicant’s bid/proposal any time prior to agreement execution, or, if determined after agreement execution, shall be grounds for termination by the State.