# **Questions and Answers**

**GFO-23-401**

**Distributed Electricity Backup Assets Program**

**Bulk Grid Asset Enhancements for Grid Reliability**

**January 26, 2024**

The following answers are based on California Energy Commission (CEC) staff’s interpretation of the questions received for the Distributed Electricity Backup Assets (DEBA) Program Bulk Grid Asset Enhancements for Grid Reliability Grant Funding Opportunity (GFO), GFO-23-401. It is the Applicant’s responsibility to review the purpose of the solicitation and to determine whether or not their proposed project is eligible for funding by reviewing the Eligibility Requirements within the solicitation. The CEC cannot give advice as to whether or not a particular project is eligible for funding, because not all proposal details are known.

Unless indicated otherwise, all section numbers identified are from the solicitation manual (for example, “Section II.B” refers to Section II.B of the solicitation manual).

***Administrative***

**Q1: If attachment 12 does not apply, do we not submit? Thank you.**

A1: Correct.

**Q2: Is there a standard resume format that the CEC prefers?**

A2: There is a maximum of four pages total per resume. Also, there is a requirement that the application 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. Each resume should include information on experience, knowledge, and capabilities relevant to the project.

**Q3: Should support and commitment letters be addressed to the Commission Agreement Officer, the Chair of the Energy Commission, or someone else?**

A3: Support and commitment letters should be addressed to the Commission Agreement Officer.

**Q4: Do we need to submit Attachment 13 “POU Letter of Interest” if we already have a Resolution adopted by our Governing Board that authorizes the City Manager or his designee to execute all related forms and agreements needed to apply and accept a grant if awarded? Should we submit the Resolution in lieu of Attachment 13? In addition to Attachment 13?**

A4: Please include the adopted resolution in lieu of Attachment 13.

**Q5: Are we able to add additional attachments and/or supporting documentation in the Grant Solicitation System that are not explicitly requested (for example an approved Resolution as an additional attachment)?**

A5: Yes. Additional attachments and supporting documentation may be included with the application through the Grant Solicitation System. Please include the adopted resolution in lieu of Attachment 13. The Commission Agreement Officer will be available to answer questions related to the Grant Solicitation System until 5:00 pm on the date applications are due (February 20, 2024).

**Q6: Do we need to include all details from other attachments (e.g., Attachment 4: Scope of Work) in the project narrative, or should the project narrative be a more general description?**

A6: The project narrative should 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. Also, the project narrative must include information on the amount of change (decrease or increase) of greenhouse gas or criteria air pollutant emissions expected to result from the project. The project narrative must include a table of contents and headings as specified in Attachment 2.

**Q7: Please clarify the meaning of a “sub-recipient.”**

A7: The definition of a subrecipient from 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) is:

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.

**Q8: Due to the City of Redding's adherence to public works policies, a competitive bid process is mandatory for the selection of a Consultant/Contractor to undertake any Public Works project. As of now, project estimates have been received; however, this process has not been finalized, leading to a lack of information on the Project Team and the Budget. In light of these circumstances, could you please provide guidance on how the relevant forms should be appropriately completed?**

A8: Please include the best available information and estimates for the budget. If a proposed project receives funding through this solicitation, it is unlikely that an amendment to increase funding for the project will be feasible and all available funding may be committed to other projects. Budget amounts are estimates. For example, an amount listed for a piece of equipment in the Agreement Budget is still to be considered an estimate and does not represent a maximum amount the Energy Commission can pay for an item. Please see the CEC ["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) for more information.

**Q9: Are budgetary estimates listed on the budget forms for major equipment and Engineer, Procure, Construct (EPC) contracts appropriate since most of the work will be performed in this manner and we will not be able to go out to bid until after the CEC makes project selections?**

A9: Yes. Please include the best available information for the budget. If a proposed project receives funding through this solicitation, it is unlikely that an amendment to increase funding for the project will be feasible and all available funding may be committed to other projects. Budget amounts are estimates. For example, an amount listed for a piece of equipment in the Agreement Budget is still to be considered an estimate and does not represent a maximum amount the Energy Commission can pay for an item. Please see the CEC ["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) for more information.

**Q10: Also, as a result of the preliminary project state, TID does not have any actual project costs or professional quotes. It will be possible, however, to create a budget based on expected costs derived through market research. Will this be sufficient as part of the GFO-23-401 application?**

A10: For an eligible project in such a preliminary situation, the recommended approach would be to include the best available information for the budget. If a proposed project receives funding through this solicitation, it is unlikely that an amendment to increase funding for the project will be feasible and all available funding may be committed to other projects. Budget amounts are estimates. For example, an amount listed for a piece of equipment in the Agreement Budget is still to be considered an estimate and does not represent a maximum amount the Energy Commission can pay for an item. Please see the CEC ["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) for more information.

**Q11:** **Please clarify the budget instruction in italics below. Roseville would issue a Request for Proposal (RFP) for contracted labor related to this project. This has not been completed yet and therefore the contractor/subcontractor is not available to provide forms. *"A separate set of complete budget forms, including the full set of worksheets, is required for the Contractor/Recipient and for each subcontract containing: 1) $100,000 or more of Energy Commission funds; or 2) 25% or more of the total Energy Commission funds requested."* (General Budget Worksheet Instructions, number 1)**

A11: Please prepare an estimated set of budget forms on behalf of the subrecipient. Please also see answer A8 (above).

**Q12: When will the grant funds be distributed? Will the distribution be based on milestones or only after the commissioning of the selected projects?**

A12: Payment will be made based on receipts of expenses included with invoices and progress reports submitted by the recipient after review and approval by the Commission Agreement Manager (CAM). The frequency of reimbursements will be either monthly or quarterly and will be determined based on discussion between the CAM and the grant recipient.

**Q13: When submitting signatures on application forms, is a wet signature preferred on applications or is an internal e-sign process ok as well?**

A13: 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 on the [CEC Solicitations web page](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.

**Q14: Will you please clarify how we should calculate agreement start date and agreement end date in Attachment 1?**

A14: The agreement start date should be no earlier than June 2024. The agreement end date should take into account the anticipated commercial online date for the project and the term required for the resource performance requirements specified in “Resource Performance Requirements” in Section II.B.4 of the solicitation and the timeline for reporting performance based on the Applicant’s reporting and measurement and verification plan. The project must be completed and online no later than June 30, 2027. Incremental capacity resulting from an eligible project must be made available during extreme events for a term of five years from project online date.

**Q15:** **How will the Commission address ownership and/or secured financer issues, especially as the ultimate owner(s) and/or financer(s) may not be known at the time of the application or of the award of the grant? For example, in the ordinary course of project financing or merger and acquisition transactions, legal title may be transferred from the applicant to a third party (which was neither the owner of the primary generation asset or the owner of additional capacity or efficiency equipment at the time of the application), and that third party transferee may not have been known to the applicant at the time of the application or its award. The third party transferee may, for example, become the legal owner upon financial closing. The applicant, or a future third party transferee, may also have to give collateral rights to its financier, which may include “step-in” rights to become the owner and/or operator, and may require grant proceeds are pledged or assigned to it.**

A15: As stated in Attachment 11, Standard Terms and Conditions, Section 22 (General Provisions), subsection (h), subparagraph 2, a change of business entity or name change requires an amendment assigning or novating the Agreement to the changed entity. If the CEC does not seek to amend the Agreement or enter into a new agreement with the changed or new entity for any reason (including that the CEC is not satisfied that the new entity can perform in the same manner as the Recipient), it may terminate the Agreement as provided in the “Termination” section, section 16, of Attachment 11.

**Q16: Should the ultimate applicant be the operating entity or the parent?**

A16: The applicant must intend to own or operate the project. A third party may submit an application on *behalf* of the intended owner or operator of the resource, but the application must contain a letter of authorization from the intended owner or operator specifying any authority or responsibility delegated to the third party.

**Q17: I just got back from vacation and missed this workshop. Is it possible to review a recording and any meeting minutes?**

A17: The workshop recording has been posted on the [GFO-23-401 pre-application workshop web page](https://www.energy.ca.gov/event/funding-workshop/2023-12/pre-application-workshop-gfo-23-401-bulk-grid-asset-enhancements) (https://www.energy.ca.gov/event/funding-workshop/2023-12/pre-application-workshop-gfo-23-401-bulk-grid-asset-enhancements) under event recordings. Please monitor the [GFO-23-401 webpage](https://www.energy.ca.gov/solicitations/2023-12/gfo-23-401-bulk-grid-asset-enhancements-grid-reliability) (https://www.energy.ca.gov/solicitations/2023-12/gfo-23-401-bulk-grid-asset-enhancements-grid-reliability) for the latest information.

***Available Funding***

**Q18: Are the funds available to POUs capped at $37.5M or can POUs receive additional funding?**

A18: No, that is not a cap. Up to $37.5 million is available to only those projects located in publicly owned utility (POU) service territories. During the technical scoring process, if projects in POU service territories score higher than other projects, they will be eligible for awards regardless of the total aggregate amount awarded to POU projects.

**Q19: Are there set asides for underserved entities/communities?**

A19: Not for this solicitation. Applicants with projects located in or benefiting underserved entities or underserved communities may apply. The application may include support letters from communities that would benefit from the projects (see Attachment 8).

***Documentation***

**Q20: Regarding CEQA review: the local agency generally requires more information available later in the project development stages to make a determination. Will proof of engagement (e.g., email correspondence) suffice to demonstrate initial engagement with said agency?**

A20: The correspondence would be sufficient to demonstrate initial engagement. However, staff would still need a completed California Environmental Quality Act (CEQA) review before an award could be issued to that project.

**Q21: On the CEQA Environmental Compliance Form (attachment 6), there are check boxes for “modified” or “new” permit types (see page 4, number 5). If there is nothing new or modified for a particular permit type, is it appropriate to leave that row blank?**

A21: Attachment 6, Question 5 states "Will the proposed activities require discretionary permits or determinations, as listed below?" This question is followed by a table, as noted in the question. If a listed permit is not required, it is appropriate to leave the row corresponding with that permit type blank. If no discretionary permits or determinations are required, please add a sentence or two above the table explaining this point and leave the table blank.

**Q22: Technical Screening Criteria #4 asks that the applicant identifies evidence of property ownership. Is information provided in Attachment 1 sufficient to meet this screening criteria? Or is there something else you are looking for there? Thank you.**

A22: The proposal should identify and provide evidence of property ownership. Although Attachment 1 does require an applicant to state, under penalty of perjury, who owns the project location (if not the applicant), property ownership could also be proven by a copy of a grant deed or an assessor’s statement.

***Evaluation Criteria***

**Q23: Evaluation Criteria #4-6 do not have minimum required scores, but will be considered in terms of total minimum score, correct?**

A23: Correct. The first three criteria have minimum score thresholds that are required to advance. Evaluation criteria 4 through 6 do not have minimum score requirements; however, the scores for these three criteria will be used to determine the total minimum score .

**Q24: What are examples of metrics that CEC will consider for a natural gas based resource?**

A24: The scoring criteria are in the solicitation manual and show the general metrics that will be used to evaluate all proposed projects.

**Q25: Will project online dates of fall of 2025 be scored the same as spring of 2026, given that they would both be after the need for emergency generation in summer 2025, but before summer 2026?**

A25: In general, an earlier online date is preferable. The estimated date by which the project will be complete and fully operational will be evaluated along with the degree to which the proposal justifies this timeline, whether the workplan presents a reasonable approach to performing the work by the estimated project completion date, and other elements specified in the Project Readiness and Workplan criterion in Section IV.E. of the solicitation.

***Future solicitations***

**Q26: The GFO Application Manual indicates anticipated future release of separate DEBA solicitations focused on Distributed Energy Resources (DERs). Are the schedule and value of future DER GFO announcement(s) contingent on remaining funds from the "Bulk Grid Asset" GFO, or are the funding sources/quantity separate?**

A26: The schedule and funding amounts of future DEBA GFO solicitations are not contingent on remaining funds from the Bulk Grid Assets GFO. The [DEBA Program guidelines](https://www.energy.ca.gov/publications/2023/distributed-electricity-backup-assets-deba-program-guidelines-first-edition) (https://www.energy.ca.gov/publications/2023/distributed-electricity-backup-assets-deba-program-guidelines-first-edition) give a high-level overview of the anticipated funding allocation.

**Q27: When do you anticipate the DER GFO to release?**

A27: For questions regarding future funding solicitation offerings from the DEBA program, staff encourages you to submit those questions in writing to the DEBA inbox: deba@energy.ca.gov. Staff is currently working on future funding opportunities and encourages stakeholder involvement in that process.

***Interconnection***

**Q28: Must one be connected at bulk transmission level, or can a large load behind the meter site reduce load using a zero emission technology be eligible?**

A28: For this solicitation, projects must be co-located with an existing power generator interconnected to the bulk transmission grid.

**Q29: Will projects co-located with EV charging be eligible for this solicitation, assuming it meets all other criteria?**

A29: For this solicitation, projects must be co-located with an existing power generator interconnected to the bulk transmission grid.

**Q30: We have a power generation facility under construction in Shafter, CA and are interested in applying. I am working with PG&E on this to figure out timing on the interconnection but not sure how long it will take. Would we be eligible to apply for the grant based on a future interconnection date (Tbd)? Or does GFO eligibility require that we already have the interconnection in place?**

A30: For this GFO, the proposed project must be sited at existing power generators that are interconnected to California’s bulk transmission grid. The existing generator must be in commercial operation, operating and producing power, and already sending power to the bulk transmission grid.

**Q31:** **If the proposed capacity expansion addition exceeds the existing CAISO approved interconnection capacity, can … someone submit [an] application without [applying] for [additional] interconnection capacity?**

A31: The California Energy Commission does not have jurisdiction over interconnection, nor deal with interconnection questions directly, so that would be a question to direct to the appropriate authority having jurisdiction, whether it is the California ISO or the utility. Any interconnection queue requirements for a project would come down to the applicable interconnection authority. However, this solicitation is targeting projects that can add additional capacity or efficiencies without delay. Projects that have additional space in the existing interconnection will be prioritized during scoring relative to another project that may face a delay due to interconnection processes. If a project must enter an interconnection queue, it is reasonable to assume there would be associated delays affecting the timeliness and readiness of that project.

**Q32: If the project requires a material modification to an interconnection agreement what documentation will be required that this change is underway?**

A32: 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. As part of the "Project Readiness and Workplan" evaluation criterion, each application will be evaluated on 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. Examples of documentation to include with the project narrative section for this criterion include any submitted requests for material modification to an interconnection agreement and any results of requests for material modification to an interconnection agreement, as applicable.

**Q33: Does the existing interconnection need to be able to accommodate the BESS power exchange (kW)**

A33: It is important to keep in mind the requirement to come online by June 30, 2027, in preparing a project for this solicitation. To meet this timeline, it is likely that the existing interconnections should be able to integrate additional power generation capacity from any efficiency upgrades or capacity additions, including battery energy storage systems (BESS).

**Q34: Will resources used for efficiency enhancements be able to use the headroom on [points of interconnection] POIs of existing resources and follow a fast-track interconnection process or will they have to enter the WDAT or CAISO interconnection queues and follow the standard interconnection process? (This may have a potential impact on the project timeline and the attributed score).**

A34: 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. Whether the project will be able to use the existing point of interconnection or not will depend on the requirements of the applicable authority with jurisdiction over the facility's interconnection.

**Q35: What if a cluster study is required and the project cannot meet the COD requirement of 6/2027?**

A35: To be eligible for funding from this solicitation, a proposed project must be complete and online and have a commercial operation date (COD) no later than June 30, 2027. Please see the terms and conditions (Attachment 11) for information on processes and penalties if a project does not comply with terms of the agreement.

***Match Funding***

**Q36: Does the DEBA grant necessitate that the recipient must have already secured federal funds for eligible projects before being eligible to receive the DEBA award or before the DEBA funds will be issued?**

A36: No. Federal funds do not need to be secured to apply for DEBA funding unless the federal funds are used as match funding. If the federal funds are used as match funding, the funds must be committed to the project before the application is submitted, and the application must include a commitment letter for each source of federal funds, along with Attachment 8. In addition to other requirements specified in Attachment 8, each commitment letter must guarantee the availability of funds and provide a strategy for replacing the funds if they are significantly reduced or lost. If federal funds are not used as match funding, a commitment letter is not required; instead, other documentation should be included, such as a support letter from the applicable federal agency describing any support it intends (but does not necessarily commit) to provide for the project. See Attachment 8 for more information. If receipt of federal funding depends on receipt of federal cost share from a California-funded program, such as a DEBA grant, please include this information (and applicable timelines) in the Project Narrative (Attachment 2) section on existing and anticipated revenue streams.

**Q37: Where can I find additional information regarding in-kind non-cash match funding?**

A37: Please see information on cost share in the solicitation manual (pages 12-16), the budget forms (Attachment 5), the attachment for Commitment and Support Letters (Attachment 8), and the attachment for Terms and Conditions (Attachment 11).

**Q38: Is there a limit imposed on number of cost share partners?**

A38: No. There is no limit on the number of cost share partners.

***Miscellaneous***

**Q39: I'm architect inventor of several breakthrough technologies in solar and hydro geothermal. The subject of this workshop is geothermal, I see. I'm not sure if I am fit for this solicitation, but I will follow over. I will try, I will follow that partnership to look for partnership and to see. I just want to mention something that it would be useful for your future work, and maybe there is disconnect between you California Energy Commission and California Natural Resources. It should be coordinated a little bit better. For example, I have a proposal for the restoration of the Salton Sea that includes solar and hydropower and geothermal altogether. I'm writing, while, whether right now and I may submit it this afternoon or tomorrow to the California Energy Commission. But this is regarding three projects that are involved in southern part of the Salton Sea. But again, applying for projects like this one that you are providing funding and missing the bigger picture of the master plan for the restoration of the Salton Sea. Right now, everyone is funding and small project, everyone in pushing for their stuff. But it's missing master plan. It's missing architecture plan, so that all those small projects can fit and fill it somehow together. And I have architectural plan that provide. That question is just and there is disconnect. And then I don't know how to explain that, but it should be somehow we all together on that. It's missing leadership. It's missing a person with gravitas to unite all those agencies and local leaderships in interest of mutual interest and project something like that.**

A39: Thank you for your comments. Staff looks forward to your correspondence.

***Project Eligibility***

**Q40: Will CHP be considered in DEBA? CHP technology is more efficient than fuel cells and linear generators and thus less emitting.**

A40: If this is regarding the DEBA program in general, please review the DEBA Program Guidelines. Combined heat and power (CHP) technology is considered an example of a potentially eligible project in our future solicitations. However, from the question it is unclear whether the CHP technology in question pertains to this particular solicitation. For this solicitation, it is important to consider whether the proposed addition is co-located with an existing power generator interconnected to the bulk transmission grid.

**Q41: We are wondering whether a new building assisted wind-conversation technology would be suitable as a submission for this grant. Our technology relates to the funding goal of strengthening the zero emissions electricity production capacity in a self-contained system independent of a wired distribution grid. Of course, in an emergency situation the most vulnerable elements of the power grid namely the central generators and the wire distribution system will be first to fail. A deployment of individual self-contained wind power producers each energizing the building it is attached to will fill the gaps left open by these two fundamental grid elements. This technology utilizes on-site wind-generated power, technically referred to as ‘Distributed Wind’. Our technology uses the building façade’s acceleration effect to increase speed and extract more energy from urban and suburban wind flow. Therefore, the increased production capacity will be able to provide nearly as much power to each building as the standard grid would have. The strategic distribution of this technology would provide an effective and nearly invulnerable load reduction system for a stressed grid. We would like a determination of whether this carbon free energy concept falls within the scope of this grant’s aims and would warrant our effort to work up a full submission.**

A41: From the information provided, it appears this technology reduces load by generating electricity behind the meter of a building. Behind-the-meter technologies are not eligible for this solicitation. For this solicitation, projects must be co-located with an existing power generator interconnected to the bulk transmission grid. The bulk transmission grid is managed by the California ISO and other balancing authorities and delivers wholesale electricity to local utilities.

**Q42: We propose to build a 10-megawatt (MW) battery-energy storage system that could be expanded in the future to store 20 megawatts. It would be located at the property line of family-owned land adjacent to an existing power substation. In our view, our proposed system conforms to the statutory criteria reflected in your Distributed Electricity Backup Assets Program Guidelines: “new zero or low-emission technologies, including, but not limited to, fuel cells or energy storage, at existing or new facilities"; and, similarly, “fuel cells or energy storage, at existing or new facilities in California with the first point of interconnection that is not on the bulk transmission grid.” We note, however, that your grant-application solicitation uses slightly different language. It states that “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”; and that such projects include “[e]nergy storage, fuel cells, or linear generators sited at existing power generators.” Would our proposed new energy/fuel cell storage system—which would be sited immediately adjacent to the existing substation for connection to it, and which would be dedicated to enabling increased output from that substation—be an “eligible project” for a grant?**

A42: To be eligible for funding from this solicitation, a proposed project must be co-located with an existing power generator interconnected in California to the bulk transmission grid. CEC staff anticipates releasing separate DEBA solicitations and program offerings focused on distributed energy resources in the future. For questions regarding future funding solicitation offerings from the DEBA program, staff encourages you to submit those questions in writing to the DEBA inbox: deba@energy.ca.gov. Staff is currently working on future funding opportunities and encourage stakeholder involvement in that process.

**Q43: This will be TID’s first Demand Response program, and it will be fully automated and dispatchable to reduce load during peak hours. As specified in the Application Manual, this project will create at least 5 MW of capacity and will be sustainable for 4 hours between 4 and 10 pm. TID also plans on using this capacity toward its Resource Adequacy requirement and will be able to support the state’s electric grid with its interconnections to CAISO and BANC. To this end, TID issued an RFP (Attached here) requesting professional services to design a demand response program on November 9, 2023. On December 15, 2023, TID received 5 responses and is currently working through the evaluation process. By summer 2025, TID hopes to have all equipment and software installed to automatically curtail load through an internal Distributed Energy Resource Management System (DERMS). Based on the description above, would this type of project be eligible for a grant award?**

A43: To be eligible for funding from this solicitation, a proposed project must be co-located with an existing power generator interconnected in California to the bulk transmission grid. CEC staff anticipates releasing separate DEBA solicitations and program offerings focused on distributed energy resources in the future. For questions regarding future funding solicitation offerings from the DEBA program, staff encourages you to submit those questions in writing to the DEBA inbox: deba@energy.ca.gov. Staff is currently working on future funding opportunities and encourage stakeholder involvement in that process.

**Q44: TID issued an RFP (Attached here) requesting professional services to design a demand response program on November 9, 2023. On December 15, 2023, TID received 5 responses and is currently working through the evaluation process. By summer 2025, TID hopes to have all equipment and software installed to automatically curtail load through an internal Distributed Energy Resource Management System (DERMS). As described above, TID is still in the early phases of this project and does not have any executed agreements or contracts as of yet. Based on this current state and the expected timeline, is this project eligible for a grant award?**

A44: To be eligible for funding from this solicitation, a proposed project must be co-located with an existing power generator interconnected in California to the bulk transmission grid. CEC staff anticipates releasing separate DEBA solicitations and program offerings focused on distributed energy resources in the future. For questions regarding future funding solicitation offerings from the DEBA program, staff encourages you to submit those questions in writing to the DEBA inbox: deba@energy.ca.gov. Staff is currently working on future funding opportunities and encourage stakeholder involvement in that process.

**Q45: The solicitation application manual states that "…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.” Can the CEC confirm that biogas-powered (including “directed” biogas, meaning biomethane delivered to a generating facility through a common carrier pipeline) renewable distributed energy resources are eligible for this program, in line with state statute? Will carbon intensity (CI) score be used to determine whether biogas used to generate electricity for assets deployed under this solicitation is considered a low- or zero-emission, or will a different metric be employed?**

A45: 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. It appears the renewable distributed energy resource project described here would not meet this requirement. CEC staff anticipates releasing separate DEBA solicitations and program offerings focused on distributed energy resources in the future. For questions regarding future funding solicitation offerings from the DEBA program, staff encourages you to submit those questions in writing to the DEBA inbox: deba@energy.ca.gov. Staff is currently working on future funding opportunities and encourage stakeholder involvement in that process.

**Q46: Projects with BESS + Solar are eligible, but will funds be reimbursed only for the BESS portion or the PV portion as well?**

A46: If a project proposes to add energy storage at an existing power plant, the energy storage portion could be eligible for funding. However, the photovoltaic (PV) portion cannot receive funding through the solicitation. See Section II.E.2.

**Q47: A replacement inverter might be a component of a hybrid solar plus storage project where the storage is added in response to this solicitation.**

A47: If a replacement inverter is required for the BESS to connect with the existing solar project, then it may fit the criteria for eligible costs.

**Q48: In addition to being co-sited with our existing 50 MW thermal generator, our battery development project is proposed to share a common, 0.8-mile existing gen-tie line with the existing 50 MW thermal generator. Therefore, the battery project will deliver an additional 50 MW / 8 Hr to the same point of interconnection with SDG&E/CAISO as our existing thermal generator… Would any of the below factors disqualify the project?**

* **The fact that [the existing project and the proposed project] will be separately metered by CAISO and do not share a common queue position**
* **The [the existing project and the proposed project] will be held by separate business LLCs/entities**
* **The [the existing project and the proposed project] having different customers/offtake status**

A48: For this solicitation, projects must be integrated with an existing power generator or co-located with an existing power generator interconnected to the bulk transmission grid. The existing generator must be in commercial operation. The project may have a separate meter from the existing facility and may be operated by a separate entity. The project may have a separate contract from the existing power generator, but power may not be under contract to be sold out of state during the months of May through October.

**Q49. To clarify - are new projects not eligible under this solicitation?**

A49: Eligible projects (such as an efficiency upgrade or addition of BESS) 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; there must be a preexisting facility or generator associated with a proposed project for that project to be eligible to receive funding under this solicitation.

**Q50: Will resources used for efficiency enhancements of thermal assets have to be co-located with the existing thermal assets and be located the same POI or will there be siting flexibility as long as the assets are located within the same Local Capacity Area?**

A50: Eligible projects (such as an efficiency upgrade or addition of BESS) must be co-located with an existing power generator. Eligible 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.

**Q51: Can you please elaborate on project eligibility, specifically what qualifies as "an existing power generator or the power output of an existing facility interconnected to the transmission grid"? Is an example of an eligible project energy storage to augment existing solar sites?**

A51: One example is a BESS system added to an existing solar photovoltaic site that would increase the output of that facility, assuming that that facility would be hybridized. It would allow for increased output from that facility in the evening hours when the solar is ramping down. Therefore , a BESS energy storage that augments the output of an existing solar site would meet that definition. Another example would be efficiency upgrades that would reduce the ambient derate from a thermal facility in critical summer months and critical evening net peak hours. There may be other alternatives as well, so staff has tried not to be exhaustive in the definition. See Section II.B.1, which lists example project types, including energy storage sited at existing power generators.

**Q52: Do wind and solar generators qualify for the "efficiency improvement" bucket? Will storage be eligible for these opportunities? Will peaking and long-duration firming be considered "an efficiency improvement"?**

A52: Variable renewable resources, such as solar photovoltaics or wind turbines, are not eligible to receive funding under this solicitation. The addition of energy storage to existing wind or solar generators is eligible for funding if other requirements in the solicitation are met. The addition of energy storage to existing energy storage facilities is eligible for funding if the project increases the power output of an existing energy storage facility that is interconnected in California to the bulk transmission grid, assuming other requirements in the solicitation are met.

**Q53: Do existing projects, currently in pre-engineering or design or getting prepared for engineering qualify?**

A53: Any proposed project must be located at an existing power generator and the existing power generator must be online already. The GFO does not have a specific requirement on the status of the proposed project prior to application but please note: (1) the project must increase the nameplate capacity of an existing power generator or the power output of an existing facility, (2) the project must be completed and online no later than June 30, 2027, (3) the application must identify, document, and justify 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, and (4) 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 Applicants’ match share costs if a 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.

**Q54: When you say existing power generators, what does that mean? Is there a requirement on how much existing generation there is or type of generation?**

A54: The existing generator must be in commercial operation, operating and producing power, and already sending power to the bulk transmission grid. The proposed efficiency upgrade or capacity addition must be co-located to an existing generator, and not to a new generator that has not yet reached COD.

**Q55: Are BESS projects eligible for funding for future PV power generation infrastructure or ONLY existing power generation?**

A55: This solicitation is targeting existing 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. Projects must be completed and online no later than June 30, 2027.

**Q56: This solicitation aims to improve efficiency and add capacity to existing power generators. I'd like to clarify that new power generators (e.g., deploying a new linear generator at a greenfield site) will not be eligible for this solicitation.**

A56: Correct. 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. A linear generator deployed behind-the-meter may be a candidate under a possible future DEBA solicitation focused on DERs.

**Q57:** **If an efficiency improvement project has been quoted on an existing generator, would the project qualify?**

A57: In general, if the existing generator is online and the proposed efficiency upgrade meets all requirements in the solicitation manual, the proposed upgrade would be an eligible project. Staff would need to see the details of the proposed project to confirm. If the applicant has already started scoping and getting quotes on a project before applying, please note that non-match expenditures incurred prior to agreement execution are not reimbursable from CEC funds. Also, 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. Another point to note is that applications under this solicitation need to explain and document why DEBA assistance is needed to enable the proposed project per Criterion 1 of the evaluation criteria (Section IV.E. of the Application Manual).

**Q58: We are about to take a small old inefficient natural gas plant off-line, and we are exploring re-powering with something more efficient and/or greener. Can the project qualify?**

A58: The purpose of the solicitation is to provide funding for efficiency upgrades or capacity additions for existing power plants that are still operating and producing power. If the existing power plant is offline, it would not meet that criterion.

**Q59: Will this project cause existing systems to lose their NEM 2.0 status, or can an exemption be made for approved projects due to the assistance it will be giving California's grids?**

A59: Net energy metering (NEM) 2.0 applies to behind-the-meter projects. Behind-the-meter projects are not eligible for this solicitation. Projects must be interconnected to the bulk transmission grid.

**Q60: Can you quickly reiterate the minimum project size required for funding?**

A60: Eligible projects must be available to supply 5 megawatts of incremental rated capacity, as defined in the solicitation manual.

**Q61: Would a project focused on upgrading a steam turbine and HRSG (Heat Recovery Steam Generator) with the goal of enhancing system efficiency, adding 20 MW of dispatchable energy through steam generation in a combined-cycle natural gas power plant, be classified as a zero-carbon resource?**

A61: For this solicitation, a project to upgrade a steam turbine and HRSG (Heat Recovery Steam Generator) in a combined-cycle natural gas power plant would be eligible and classified as a conventional resource. The evaluation criteria related to emissions and air quality focus on the incremental impact of the additional capacity relative to the underlying existing resource.

***Reliability***

**Q62: What is the area of grid most in need?**

A62: It is unclear what aspect of the solicitation this question pertains to. The intent of this solicitation is not to target specific areas of the grid that are considered “in need,” but rather to fund 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]). For purposes of this solicitation, it is incumbent upon applicants to demonstrate the proposed project’s ability to contribute to the reliability of the state’s electrical grid.

***Requirements***

**Q63: If we build a BESS project, can we try to contract it with the utility or some other counterparty to obtain a power purchase agreement (PPA)?**

A63: Yes, but power may not be under contract to be sold out of state during the months of May through October. See Section II.B.4 for resource performance requirements.

**Q64: Can generation resources improving thermal asset efficiency be contracted under long-term offtake contracts year-round, or only during months excluding May-October? Section 4 of the GFO manual mentions restrictions on contracting outside California, but do those restrictions also apply to contracting within California? Can the assets also be contracted for unencumbered short or long-term resource adequacy (RA) contracts?**

A64: Power receiving DEBA funds through an agreement from this solicitation may not be under contract to be sold out of state during the months of May through October. This restriction does not apply to contracting within California. The applicant will need to demonstrate in the application the need for funding from DEBA. See Section II.B.4 for resource performance requirements.

**Q65: How long is the contract term after COD in 2027.**

A65: The agreement end date must take into account the term required for the resource performance requirements specified in “Resource Performance Requirements” in Section II.B.4 of the solicitation and the timeline for reporting performance based on an approved reporting and measurement and verification plan.

**Q66: What are credit requirements to be an eligible candidate?**

A66: The applicant would need to document the ability to carry out the project, including the financial ability. See Evaluation Criteria 5 "Project Budget and Cost Effectiveness" for how applications will be evaluated.

**Q67: Does this GFO require applicants to participate in the Demand Side Grid Support (DSGS) program?**

A67: No. Participation in the DSGS program is not required. Performance requirements for this solicitation are outlined in Section II.B.4. of the solicitation manual.

**Q68: Will eligible project costs incurred prior to award be reimbursed?**

A68: No. Only costs incurred after an agreement’s start date are reimbursable. Section II.D.g states that 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.

**Q69: On the measurement and verification plan, it looks like from the project narrative that that needs to be included as part of the description there. But some of the documentation said, approved applicants must demonstrate a measurement and verification plan. So, I was just curious, is there something after the fact? In addition? Or is it all kind of upfront in the project narrative? Just want to make sure that we're hitting all the points in our proposed in our proposal.**

A69: A measurement and verification plan should be included in the project narrative.

**Q70: On attachment 7 related to past performance - Can you please explain more of what you are looking for related to 5 most recent agreements with other public agencies within the last 10 years? Thank you.**

A70: Please provide references for CEC agreements (e.g., contracts, grants, or loans) received by the Applicant in the last 10 years and the 5 most recent agreements with other public (federal, state, or local) agencies within the last 10 years to verify Applicant’s past performance. Each reference must include a contact person name and phone number (or email address). If contacted by California Energy Commission staff, references should be able to speak to Applicant’s ability to successfully complete projects in a timely manner. If the team’s experience includes a specific project(s) under current or prior agreements with public funding (e.g., contract, grant, or loan), the Applicant must also submit a Past Performance Reference Form(s) for the project(s), even if the team member is not the primary Applicant. Applicants should fill out a separate Past Performance Reference Form (Attachment 7) for each reference. The form includes three questions:

1. For projects that did not complete (or timely complete) project objectives: Describe the challenges faced, what led to those challenges and indicate whether those challenges were within the Applicant’s control.

2. Describe any severe audit findings and how they were ultimately addressed and resolved.

3. Describe the final outcome of the project.

**Q71: Roseville Electric Utility is applying for the DEBA grant, but we are officially a department of the City of Roseville and will be applying under the “City of Roseville” name. The Past Performance Reference (Attachment 7) asks for the five most recent agreements with public agencies - should we provide five agreements that Roseville Electric Utility was involved in, or should we submit the five recent agreements for the City of Roseville? If we provided the last five agreements for the City of Roseville, it would include agreements that are not relevant to Roseville Electric Utility. We think it’s better to provide the agreements that Roseville Electric Utility was involved in, but we wanted to check with the CEC.**

A71: On Attachment 7, please provide references for CEC agreements (e.g., contracts, grants, or loans) relevant to Roseville Electric Utility in the last 10 years and for the 5 most recent agreements relevant to Roseville Electric Utility with other public agencies within the last 10 years to verify Applicant’s past performance.

**Q72: Are there any specific criteria for applicants who are publicly owned utilities?**

A72: If a resolution from the POU’s governing board is not included with the application, then a letter of interest from the utility director or general manager is required (see Attachment 13). Otherwise, there are no specific evaluation or eligibility criteria for POUs.