**Questions and Answers Document**

# **Disclaimer**

The following answers are based on California Energy Commission (CEC) staff’s interpretation of the questions received. The applicant is responsible for reviewing the Application Manual and determining whether its proposed project is eligible for funding by reviewing the Eligibility Requirements within the solicitation. The CEC cannot give definitive advice as to whether a particular project is eligible for funding, because not all application details are known.

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# **General/Administrative**

1. **Is there a background document that gives some background on each category?**

Yes. The Application Manual provides details on the purpose of the solicitation (Section I.A.), Project Focus (Section I.C.), and Background (Section I.J.) in addition to other helpful information related to the application process. The Manual can be found on the GFO-23-304 solicitation webpage: <https://www.energy.ca.gov/solicitations/2024-01/gfo-23-304-geothermal-energy-operations-and-lithium-innovation-geoli>.

1. **How many awards will be made in each category?**

Awards will be made based on the highest scoring applications and the overall solicitation budget. The CEC can potentially have 2 to 3 awards from each of Groups 1 and 2 and 1 to 2 awards for Group 3. However, CEC can award more or less to these groups based on the scores of the applications. See I.D, Funding, of the Application Manual.

1. **30% match is a high barrier for small businesses. Would the CEC consider reducing the required match share to 20% or 25%?**

After careful consideration, the CEC has decided to reduce the match funding requirement for groups 1 and 2 from 30% to 20%. The amended Application Manual reflects this change. Bonus points will still be earned for match funds above the minimum requirement and for cash match (see Q11).

1. **Can a startup with no partners yet apply?**

Yes, you can submit an application (see II.A.1, Eligibility, of the Application Manual). However, we strongly encourage partners, as these projects are large and it would be difficult for one startup to complete all tasks. Additionally, each applicant is required to submit a commitment letter from the geothermal demonstration site for groups 1 and 2. See Section I.C, Project Focus, and IV.F, Stage Two: Application Scoring, of the Application Manual for each group’s requirements.

1. **How large are project proposal teams expected to be for Group 3, and are commercial partners required?**

No, commercial partners are not required for Group 3, though they are strongly encouraged. It is up to the applicant to determine the number of partners needed to meet the requirements of the solicitation and provide the strongest application. See Section I.C, Project Focus, and IV.F, Stage Two: Application Scoring, of the Application Manual for each group’s requirements.

1. **What are the CEC’s requirements for an entity to be qualified as a small or medium-sized business?**

The Application Manual references small businesses in Scoring Criterion 9, Disadvantaged & Low-Income Communities, under IV.F, Stage Two: Application Scoring. Generally, a small business is defined as having no more than 100 employees. The Application Manual does not mention medium-sized businesses.

1. **Do you have to be a CA company apply for this opportunity?**

Companies outside of California may apply for this opportunity. However, it may be more difficult for non-California companies to spend funds in California, which will affect the score. See I.L, Funds Spent in California, and Scoring Criterion 6 under IV.F, Stage Two: Application Scoring, of the Application Manual.

1. **Can you elaborate more on funds spent in CA or direct me to where I can find more information?**

Funds Spent in California include: (1) Funds under the “Direct Labor” category (and all categories calculated based on direct labor) that are paid to individuals who pay California state income taxes on wages received for work performed under the agreement; and (2) Business transactions that are entered into with a business located in California. Payments to out-of-state workers and travel out of state do not count as funds spent in California. See Section I.L, Funds Spent in California, of the Application Manual.

1. **Will the California Energy Commission accept faculty academic year time commitments to the project as appropriate cost sharing?**

Money paid to faculty academic year appointments can be used for cost sharing. See I.K, Match Funding, of the Application Manual.

1. **Can administrative overhead be included in the budget? Are there any limits on the amount of administrative overhead that can be included?**

Yes, indirect costs can be included in the budget. Applications with lower indirect costs, fringe benefits, and profit will receive more points during scoring. See Scoring Criterion 7 under IV.F, Stage Two: Application Scoring, of the Application Manual. Universities of California, both as prime recipients and subcontractors, can have a maximum indirect rate of 25% of modified total direct cost as stated in the terms and conditions.

1. **Will match funding above the minimum required earn additional points during scoring? Is this the case for Group 3 projects?**

Yes, match funds above the minimum will earn bonus points according to Scoring Criterion 8b under section IV.F, Stage Two: Application Scoring, of the Application Manual. This is applicable to all groups. Additional bonus points will be earned for cash match. See I.K, Match Funding, and Scoring Criterion 8a under IV.F, Stage Two: Application Scoring, of the Application Manual.

# **Technical**

1. **The Salton Sea geothermal area sits on a very seismically active region with San Andreas fault nearby. Is studying earthquakes as it relates to geothermal activity a good fit for this solicitation? If so, which group?**

No, seismicity does not fit under this solicitation. The focus of this solicitation is management of geothermal brine including corrosivity and scaling, mineral recovery, and comprehensive management of the entire system. See the additional details in Section I.C, Project Focus of the Application Manual.

1. **Are there any minimum criteria to be met for corrosion rates in Group 1?**

No, the solicitation has no minimum criteria for corrosion rates. In Attachment 2, Project Narrative of the application packet, the applicant should explain the current state of technology and baseline values for what conventional technologies provide. They will then need to justify the proposed innovations to improve on those levels. See the additional details to be included in the Project Narrative Attachment in Section I.C, Project Focus of the Application Manual.

1. **Would working with brines from Salton Sea geothermal power plants count as field testing, even if some of the experiments might happen at a different location?**

Projects from this solicitation may have some testing that is completed at a different location, but by the end of the project, for groups 1 and 2, it is required that field testing occur at a geothermal site. Field testing for Group 1 may occur at any geothermal power plant in California. Field testing for Group 2 must be at a site in the Salton Sea geothermal field. We understand it is a challenge and a constraint to require testing on-site, but to move technologies past a certain point, they have to be tested on-site due to the unique conditions in the field. Group 3 does not require field testing.

1. **Is a lab scale demonstration allowable under Group 2 instead of field testing? It is hard to connect with geothermal operators willing to host unproven technologies on their sites.**

Field testing is required for groups 1 and 2. Earlier stage technologies without field testing may fit better under Group 3. See response to Q14 above.

1. **Can you provide a list of the geothermal sites that would be open to collaboration for each group?**

No, we do not have a list of groups that are open to collaboration. It is up to the applicant to reach out and interface with them. The Empower Innovation website may help facilitate connections to people and organizations. See website: <https://www.empowerinnovation.net/en/custom/funding/view/41444>

1. **Is there a list of geothermal site operators in the Salton Sea?**

There are three main developers in the region that CEC staff is aware of: Berkshire Hathaway Energy Renewables (operator: CalEnergy), EnergySource (operator: Cyrq Energy), and Controlled Thermal Resources.

1. **Is the CEC providing access or encouraging geothermal operators to provide a test bed to emerging technology?**

No, there is no formal agreement with geothermal developers or operators to provide a test site. Entities interested in collaboration are encouraged to register on Empower Innovation to help connect to potential project partners. Establishing a test bed in the field would accelerate testing of emerging technologies but is outside the scope of the EPIC investment plan. See response to Q16.

1. **Are projects that utilize geothermal fluids below 300°F eligible for this funding? If so, what is the lowest allowable temperature?**

There is not a specific temperature limit set for this solicitation, but each of the projects funded by this solicitation needs to reflect the conditions appropriate for power generation.

1. **Are projects eligible if brine comes from a location not in the Salton Sea region, if conditions of the location are very similar to/the same as those in the Salton Sea?**

See response to Q14 above.