Alternative and Renewable Fuel and Vehicle Technology Program

Community-Scale and Commercial-Scale Advanced Biofuels Production Facilities

GFO-15-606

Pre-Application Workshop
Art Rosenfeld Hearing Room, CEC
July 26, 2016
Introductions

• Welcome
• Housekeeping/Logistics
  • Bathrooms
  • 2nd Floor Snack Shop
  • In case of emergency
• Diversity Survey
  • https://www.surveymonkey.com/r/CEC-07-26-2016
Commitment to Diversity

The Energy Commission adopted a resolution on April 8, 2015, to firmly commit to:

– Increase participation of women, minority, disabled veteran and LGBT business enterprises in program funding opportunities.
– Increase outreach and participation by disadvantaged communities.
– Increase diversity in participation at Energy Commission proceedings.
– Increase diversity in employment and promotional opportunities.
Commitment to Diversity

Fairness – Increase funding accessibility to all Californians.

Inclusion – Small businesses make up a significant portion of the U.S. economy.

Job Creation – Projects can create jobs for residents of the under-served communities.

Diversity of Ideas – Great ideas occur in a variety of areas.

Diversity in Communities’ Needs – Needs vary widely from one area to the next (air quality, socioeconomic, etc.).
Agenda

Solicitation overview 9:30 a.m.
- Eligible applicants, projects, and project costs
- Application format, required documents, and delivery
- Evaluation process and criteria

Questions and answers 10:30 a.m.

Adjourn 11:30 a.m.
Purpose: The development of low carbon biofuel production projects at new and existing biofuel production facilities; existing biofuel production facilities must expand or modify facilities to increase production capacity (pg. 3).
# Key Activities (pg. 4)

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>ACTION DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solicitation Release</td>
<td>July 15, 2016</td>
</tr>
<tr>
<td>Pre-Application Workshop*</td>
<td>July 26, 2016 at 9:30 a.m.</td>
</tr>
<tr>
<td>Deadline for Written Questions*</td>
<td>July 26, 2016 at 5:00 p.m.</td>
</tr>
<tr>
<td>Anticipated Distribution of Questions/Answers and Addenda (if any) to solicitation</td>
<td>Week of August 8, 2016</td>
</tr>
<tr>
<td><strong>Pre-Application Abstract Due by 5:00 p.m.</strong>*</td>
<td><strong>August 15, 2016</strong></td>
</tr>
<tr>
<td>Anticipated Pre-Application Abstract Results</td>
<td>September 19, 2016</td>
</tr>
<tr>
<td><strong>Deadline to Submit Full Applications by 5:00 p.m.</strong>*</td>
<td><strong>October 31, 2016</strong></td>
</tr>
<tr>
<td>Anticipated Notice of Proposed Award Posting Date</td>
<td>December 12, 2016</td>
</tr>
<tr>
<td>Anticipated Energy Commission Business Meeting Date</td>
<td>Upon CEQA Completion</td>
</tr>
</tbody>
</table>
Available Funding (pg. 4)

- Approximately $37 million funding is available.
- Funds will be divided into two funding categories based on annual production capacity increase.

<table>
<thead>
<tr>
<th>Annual Production Capacity (diesel gallon equivalent)</th>
<th>Available Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,000 to 1.0 million DGE</td>
<td>$12,048,108</td>
</tr>
<tr>
<td>Above 1.0 million DGE</td>
<td>$25,048,107</td>
</tr>
</tbody>
</table>
The maximum requested award per project is determined by the following calculation, up to $6 million:

\[
\text{Maximum grant award} = 3\text{ million} + (\text{Proposed Increase to Annual Fuel Production Capacity} \times \text{Performance Multiplier})
\]
Maximum Award, continued (pg. 5)

Performance Multiplier Table:

<table>
<thead>
<tr>
<th>Proposed Increase to Annual Fuel Production Capacity (MGPY DGE)</th>
<th>Performance Multiplier ($/DGE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥17.0</td>
<td>$0.15</td>
</tr>
<tr>
<td>≥13.0</td>
<td>$0.14</td>
</tr>
<tr>
<td>≥8.0</td>
<td>$0.13</td>
</tr>
<tr>
<td>≥5.0</td>
<td>$0.12</td>
</tr>
<tr>
<td>&gt;1.0</td>
<td>$0.11</td>
</tr>
<tr>
<td>0.1 – 1.0</td>
<td>$0.10</td>
</tr>
</tbody>
</table>
Maximum Award Example Table

Increase to
( Annual Fuel Production Capacity * Performance Multiplier ) + $3 million = Maximum Grant Award

<table>
<thead>
<tr>
<th>Project</th>
<th>Increase in Annual Prod Capacity (DGE)</th>
<th>Performance Multiplier</th>
<th>Additional Capacity Award</th>
<th>Base Award</th>
<th>Maximum Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>500,000</td>
<td>$0.10</td>
<td>$50,000</td>
<td>$3,000,000</td>
<td>$3,050,000</td>
</tr>
<tr>
<td>B</td>
<td>1,100,000</td>
<td>$0.11</td>
<td>$121,000</td>
<td>$3,000,000</td>
<td>$3,121,000</td>
</tr>
<tr>
<td>C</td>
<td>5,000,000</td>
<td>$0.12</td>
<td>$600,000</td>
<td>$3,000,000</td>
<td>$3,600,000</td>
</tr>
<tr>
<td>D</td>
<td>20,000,000</td>
<td>$0.15</td>
<td>$3,000,000</td>
<td>$3,000,000</td>
<td>$6,000,000</td>
</tr>
</tbody>
</table>
At Least Eight Awards Possible

- If all awarded projects request the maximum award, this GFO could fund at least four <1 million DGE and four >1 million DGE projects.

<table>
<thead>
<tr>
<th>Project</th>
<th>Increase in Annual Prod Capacity (DGE)</th>
<th>Maximum Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 1 mil gal</td>
<td>1,000,000</td>
<td>$3,100,000</td>
</tr>
<tr>
<td>&gt; 1 mil gal</td>
<td>20,000,000</td>
<td>$6,000,000</td>
</tr>
</tbody>
</table>

\* 4 = $12.4 million

\* 4 = $24 million
Eligible Applicants

- Businesses
- Public agencies
- Non-profit organizations
- Vehicle and technology entities
- Public-private partnerships
- Academic institutions
Eligible Applicants, continued (pg. 7)

• Must have a business presence in California.

• Registered and in good standing with the California Secretary of State.
Eligible Projects (pg. 7-8)

• New, low carbon biofuel production facilities, or projects at existing biofuel facilities that expand or modify the facility to increase production capacity.

• Projects must produce a transportation fuel used to mitigate the environmental effects of on-road motor vehicle air emissions.
  – Aviation / other off-road fuels are ineligible.
Eligible Projects, continued (pg. 7-8)

- Project must produce at least 100,000 DGE per year of biofuel.

- Projects producing an eligible biofuel, using an eligible feedstock (see p. 7-8).

- Projects must be constructed and operated in California.
Eligible Project Costs (pg. 9)

- Facility pre-engineering and design
- Engineering plans and specifications
- Building and facility construction and/or modifications
- Asset and/or equipment acquisitions
- Feedstock development activities

(…complete list on page 9)
Match Funding Requirements (pg. 9-10)

• Minimum of 50% match share of the total allowable project costs.

• Applicants that do not meet the minimum match share requirement will be disqualified.
Match Funding Requirements, continued (pg. 9-10)

- Match share funding must include a minimum *cash* contribution equal to at least 50 percent of Energy Commission funding; examples:

<table>
<thead>
<tr>
<th>Project</th>
<th>CEC Funds Requested</th>
<th>Total Match Contribution</th>
<th>Cash Contribution Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>$5 million</td>
<td>$5 million</td>
<td>$2.5 million</td>
</tr>
<tr>
<td>Y</td>
<td>$5 million</td>
<td>$10 million</td>
<td>$2.5 million</td>
</tr>
</tbody>
</table>
• Cash contributions are defined as expenditures in which a financial transaction has occurred.

• Examples of match which are not cash contributions include:
  – Stock options and other investments
  – Donated or loaned labor hours
  – Existing equipment, vehicles, facilities, land, inventory, other property, and fixed assets
Applicant Performance (pg. 11)

• An applicant’s performance, if any, under an existing or prior Energy Commission agreement will be considered as part of an applicant’s score in the Project Readiness and Implementation criteria.

• In addition, the Energy Commission reserves the right to cancel an agreement awarded under this solicitation due to poor performance by Applicant under an existing Energy Commission agreement.
Project Execution (pg. 11)

• Grant agreement must be signed within 60 days of award notification (NOPA).

• All subcontracts must be approved and signed within 90 days of the executed agreement.
Two-Phase Scoring Process (pg. 12)

• Pre-Application Abstract Technical Scoring
  – Limited to 10 page project abstract
  – To pass, abstracts must receive a 70% score or higher (35 points)

• Full Application Screening and Scoring:
  – Full proposals must be consistent with previously submitted and passing pre-proposal abstract.
Online Application Process
Online Filing and Pre-Application Process

• The online application system will contain two separate submission dates.

• When logging in for the Pre-Application Phase, applicants will only see the deadline/option for the pre-application.
Online Filing and Confidentiality

• All materials submitted will be treated as confidential until the NOPA is posted.
• Any part of the application clearly marked and meeting the confidentiality provisions of the solicitation will remain confidential.
• We encourage filing all documents either all online or all hardcopy. Do not mix hard copy and electronic formats of your application.
Confidential Material (pg. 20-21)

- Sections of the Business Plan may be provided as confidential information:
  - Corporate financial records
  - Technology trade secrets
  - Price components of feedstock purchase agreements and off-take agreements
- Confidential material must be submitted as a separate, clearly-labeled volume of the application.
Confidential Material, continued

(pg. 20-21)

• The specified information will be kept confidential pursuant to California Government Code sections 6254(k) and 6254.15.

• The specified information will be kept confidential from receipt to seven (7) years following the posting of the NOPA.

• Information other than the specified information is only confidential until the release of the NOPA.
Pre-Application Abstract Process and Criteria
## Pre-Application Abstract Scoring Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Summary</td>
<td>15</td>
</tr>
<tr>
<td>Project Readiness and Implementation Schedule</td>
<td>15</td>
</tr>
<tr>
<td>Funding Request and Cost Effectiveness</td>
<td>15</td>
</tr>
<tr>
<td>Project Benefits</td>
<td>5</td>
</tr>
</tbody>
</table>

**Total Possible Points** 50
Pre-Proposal Abstract due Aug 15

http://www.energy.ca.gov/contracts/transportation.html#GFO-15-606
Full Application Process and Criteria
Full Application Evaluation (pg. 34)

• Application Evaluation
  – Screening Criteria
    • Administrative
    • Technical
  – Technical Evaluation
Administrative Screening Criteria (pg.33-34)

• Application MUST be received by due date and time stated in solicitation (No exceptions).
• Application form MUST be completed and signed by Applicant’s authorized representative.
• Applicant must agree to the Terms and Conditions.
• The application does not contain confidential information, except for eligible parts of the Business Plan, separated and clearly labeled as confidential.
• Minimum 50% match share funding provided, and cash contribution equals at least 50% of CEC funds.
Technical Screening Criteria (pg.34)

- Applicant is eligible (Section II.A, Eligible Applicants).
- Project is eligible (Section II.B, Eligible Projects).
### Full Application Scoring Criteria

*Pages 35-38*

<table>
<thead>
<tr>
<th>Scoring Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualifications of Project Team</td>
<td>25</td>
</tr>
<tr>
<td>Business Plan (Technology Plan, Marketing Plan, and Financial Plan)</td>
<td>90</td>
</tr>
<tr>
<td>Project Readiness and Implementation</td>
<td>45</td>
</tr>
<tr>
<td>Project Budget and Cost Effectiveness</td>
<td>50</td>
</tr>
<tr>
<td>Project Benefits</td>
<td>40</td>
</tr>
<tr>
<td>Sustainability</td>
<td>50</td>
</tr>
<tr>
<td><strong>TOTAL POSSIBLE POINTS:</strong></td>
<td><strong>300</strong></td>
</tr>
</tbody>
</table>
## Scoring Scale (pg.35)

<table>
<thead>
<tr>
<th>% of Possible Points</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>Not Responsive</td>
</tr>
<tr>
<td>10-30%</td>
<td>Minimally Responsive</td>
</tr>
<tr>
<td>40-60%</td>
<td>Inadequate</td>
</tr>
<tr>
<td>70%</td>
<td>Adequate</td>
</tr>
<tr>
<td>80%</td>
<td>Good</td>
</tr>
<tr>
<td>90%</td>
<td>Excellent</td>
</tr>
<tr>
<td>100%</td>
<td>Exceptional</td>
</tr>
</tbody>
</table>
Technical Evaluation (pg. 34)

• The score for each criterion will be the average of the scores of evaluation committee members.

• A minimum score of 70 percent (210 points) is required for the application to be eligible for funding.
Evaluation Criteria (pg. 35-38)

• Applicants should ensure applications:
  – Fully and clearly address each criterion, including all sub-bullets within each criterion.
  – Carefully organize information to facilitate review and evaluation.
  – Include all assumptions and calculations (as applicable) utilized.
Projects recommended for funding must complete the CEQA process within 6 months of the release date of the NOPA.

The Energy Commission reserves the right to cancel proposed awards that do not meet this CEQA compliance deadline.
Project Budget and Cost Effectiveness (pg. 25)

• Budget is cost effective (see below) and the proposed costs are reasonable.

• Budget minimizes the Energy Commission funding per diesel gallon equivalent of neat biofuel produced annually.

• Project results in a lower cost effectiveness score defined as the dollar of Energy Commission funding per Metric Ton of annual GHG reductions.
Project Budget, continued
(see Attachment 5)

• Task budget summary is no longer required (only category budget summary).
• New, shortened budget template.
• New, shortened invoice form.
• New large equipment purchase procedures.
  – Equipment over $200,000 per vendor requires vendor verification of purchase
Submittal Process

• Online
  – https://gss.energy.ca.gov/
  – (Attachments requiring signatures may be scanned and submitted in PDF format)

• Hard Copy
  – One hard copy
  – One electronic copy (CD-ROM or USB memory stick)
Additional Information

Solicitation Documents, Updates, and Email ListServ

http://www.energy.ca.gov/contracts/transportation.html#GFO-15-606

2015-16 Investment Plan Update


2016-17 Investment Plan Update

Questions and Answers (pg. 4)

• Accepting oral questions during this workshop.

• Accepting written questions until July 26, 2016 at 5:00p.m.
Contact Information

Please send questions and comments to:

Janna Franks, Commission Agreement Officer
California Energy Commission
1516 Ninth Street, MS-18
Sacramento, CA 95814
Telephone: (916) 654-4921
Fax: (916) 654-4423
E-mail: janna.franks@energy.ca.gov
Adjournment

Thank you and good luck!