

**Pre-Application Questions, Answers and Clarifications
PON-14-304
Bringing Energy Efficiency Solutions to California’s Industrial,
Agriculture and Water Sectors
California Energy Commission
September 25, 2014**

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Definitions

1. Attachment 15: What is the definition of Pharmaceutical? Could it include Bio-Tech Research and Manufacturing?

As referenced in Attachment 15, the Pharmaceutical Industry pertains to companies that manufacture drugs and medicines that are subject to federal government review. Bio-tech research and manufacturing could be included if the project meets the eligibility requirements stated in Part II.

2. Since Demand Response has a federal definition that is linked to end users and mainly reflects households, can the CEC please provide a formal definition of Demand Response for this PON?

As defined in the 2013 Integrated Energy Policy Report, “demand response” is the modification of energy usage due to market, grid, or pricing signals. Demand response provides many benefits including a more efficient electric system with lower overall system costs, reduced need for new power plants and transmission infrastructure, and more control by customers over their electric bills.¹

3. Would you please elaborate or provide clarification on what defines a “project partner”? Page 5 of the PON says a project partner is “An entity or individual that contributes financially or otherwise to the project (e.g., match funding, provision of a pilot test site), and does not receive Energy Commission funds.”

A project partner does not receive any Energy Commission funding but can provide match funding, a site, or other support for the project. For instance, a project partner can be an entity that provides technical assistance, equipment, materials or other services that will not be reimbursed with Energy Commission funding.

- a. Does this mean that any major subcontractor (e.g., FFRDC lab, private industry partner, other University/College campus partner) that commits to providing the typical project resources (i.e., labor, travel, equipment, supplies) for reimbursement from our organization as Prime/Lead Applicant (for which our organization compensates and subsequently seeks reimbursement from the CEC in the form of sponsor invoicing) is considered a project partner and has to provide a commitment letter?

A major or minor subcontractor receives funds from the Energy Commission and is not a project partner. In the scenario that you

¹ <http://www.energy.ca.gov/2013publications/CEC-100-2013-001/CEC-100-2013-001-CMF.pdf>

describe, the entities are subcontractors because they subsequently will be reimbursed with Energy Commission funds. These entities need to be listed in the budget forms (Attachment 7) as subcontractors. No commitment letters are required from a subcontractor unless they are providing match funding. Commitment letter requirements are specified in Attachment 11.

- b. That is, does every major performing partner have to provide a commitment letter regardless of whether it is providing match funding, a pilot test site, or other non-CEC reimbursed activity (donated resource contribution)?

Subcontractors only performing the work described in the application for which they will be reimbursed with Energy Commission funds do not need to submit commitment letters. Commitment letters are only required for those providing match funding, a deployment site, or other contributions as stated in Attachment 11.

4. Please explicitly define “industrial setting” in the context of this solicitation.

“Industrial setting” is a place of business engaged in manufacturing, fabricating, processing, and/or refining goods. Examples of industries include those engaged in the manufacture/processing of the following: electronics, cement, glass, petroleum, chemicals, metal fabrication, food processing, water and wastewater, data centers, and pharmaceuticals.

5. Can you please clarify the definition of “pre-commercial”? If the technology has not been deployed in the state of California but has been deployed in other parts of the country is this still defined as pre-commercial?

Pre-commercial technologies are new technologies or enhancements of existing technologies that are not commercially available in California. If a technology has been deployed outside of California, it may be considered pre-commercial if project funds will be used to enhance the technology. However, enhancements require more than minimal change.

- a. If the technology has been used commercially for other applications is the technology defined as pre-commercial for a new energy efficiency application?

The technology could be considered pre-commercial if it must be modified to meet the requirements of the new application. If the technology is implemented with little or minimal change for the new application, then the technology will not qualify as pre-commercial.

6. I just want a little clarification on the definition pre-commercial; it says technology that has not been deployed on a sufficiently large scale in field conditions. Yet a requirement is that it also has six months of data in field conditions. Could you clarify whether a system has to be full scale operational, not available in the market in California in order to qualify as pre-commercial?

As indicated in Part II of the solicitation manual, technologies must be well beyond the proof-of-concept stage and have completed lab or bench scale testing with at least six months of verified performance data. This is to verify that the technology is ready for large-scale deployment. However, your technology does not need to be operated at full scale to qualify as pre-commercial. See the response to question 5.

Applicable Technologies/Eligible Projects

7. Are installations that increase energy generation at wastewater treatment plants eligible?

No. The focus of this solicitation is energy efficiency. Energy generation projects are not eligible for this solicitation. Please also refer to the following solicitations: PON-14-303 and PON-14-305. (<http://www.energy.ca.gov/contracts/#current>).

8. Confirm that electric generation from renewable energy sources is not eligible.

Correct, electricity generation projects are not eligible under this solicitation.

9. Are projects that look to compare technologies (i.e., run two new technologies simultaneously to see which configuration results in improved efficiency), eligible?

No. Comparing different technologies is not the focus of this solicitation. This solicitation focuses on deploying pre-commercial technologies that are beyond the proof-of-concept stage and that have measurement and verification data to show that the technology is ready for multiple deployments.

10. Attachment 15 of PON-13-304 states that demand response technologies for the industrial sector are of interest as part of this solicitation. While energy storage itself does not create energy efficiency improvements, the use of storage enables demand response and participation in ancillary service markets. Do energy storage technologies applied to the industrial sector fall under the scope of this solicitation?

Customer-side of the meter stand-alone energy storage projects are not eligible. These are the subject of other EPIC solicitations. Energy storage technologies that are part of an integrated demand response system would be eligible. For information on other solicitations, please go to: <http://www.energy.ca.gov/research/funding.html>.

11. Does a non-process measure qualify for this solicitation? (this technology optimizes and controls Package HVAC units that are common on buildings in the Ag & Industrial sector).

No. The focus of this solicitation is on process improvements in the industrial, agriculture, and water sectors. HVAC system improvements are the subject of other EPIC and Energy Commission solicitations. Please refer to <http://www.energy.ca.gov/research/funding.html>.

12. Is Catalyst considered early commercialization- i.e., is it eligible for this solicitation based on where it is on the R&D-to-commercial market spectrum?

Please refer to Attachment 15, item 1A (Materials). One of the items listed is “materials suitable for the additive manufacturing process.” If the catalyst is a pre-commercial product that can increase the energy efficiency of the manufacturing process, then it may be eligible.

13. The solicitation states you are seeking products that are beyond the testing/pilot project stage but that have not reached “commercial maturity”. With many products there is no difference in the size of a pilot project compared to a “full scale” project. For instance, if the product enhances the efficiency of a 100hp motor, once it has been installed and proven on a 100hp motor, the manufacturers will generally begin to promote and sell that product in earnest. However, many new products that are available for sale are also unknown to the target markets (wastewater, agriculture, industrial) you’ve listed. Question: If a relatively new product has been through testing and is now available for sale, but is not commercially mature in the sense that sales are still minimal and the product is relatively unknown within the target markets, is that product still eligible for the program?

A technology is not considered pre-commercial if it is available for sale, unless project funds are used to enhance the technology. However, enhancements require more than minimal change. See the response to question 5.

14. If the product mentioned above is not eligible in its current state, would a new version of the product with different attributes be eligible? For instance, if a product enhances the efficiency of electric motors and has been available in sizes up to 25hp for the last year, would new sizes up to 100hp that are just now being tested/released qualify for the program?

Yes. The example described would be eligible.

15. I am writing to inquire whether technologies that take otherwise wasted energy in irrigation systems and use that energy to generate electricity might be considered for PON-14-303. On the 8/28/14 webinar, grant program reps made some statements that electricity generation does not qualify and other statements that it was a gray area. Capturing this wasted energy and reusing it locally to meet local electric demand is by many definitions a form of energy efficiency. By generating the renewable electricity from wasted energy and using it locally, not only does the project contribute to an improved environment by reducing use of grid electricity (AB 32 GHG goals), but it also reduces the demands on the utility generation, transmission, and distribution systems (improves local electric reliability) and thereby reduces ratepayer costs. Appendix 15 to the PON specifically cites wholesale water supply and conveyance systems (optimized energy use), and also sites energy and water optimization.

The focus of this solicitation (PON-14-304) is on reducing electricity use in the industrial, agriculture, and water sectors through the use of energy efficiency measures. While electricity generation projects are important to the state, they are not the focus of this solicitation. The Energy Commission has other solicitations that focus on electricity energy generation from renewable energy- please refer to solicitations PON-14-303 and PON-14-305 (<http://www.energy.ca.gov/contracts/#current>). The water projects referred to in Appendix 15 focus on process improvements and not on energy generation.

16. For demonstration proposals, can each site have a different but similar/competing technology? For example, for immersion cooling, may one site have one vendor solution and the other have a different vendor solution)?

No. Comparing different technologies is not the focus of this solicitation. This solicitation focuses on multiple deployments of the same pre-commercial technology at different locations. See the response to question 9.

17. Do the deployment sites have to be split (e.g. Nor. Cal / So. Cal.) between IOUs or can two be in one IOU territory?

Two separate deployments sites can be in the same IOU territory.

18. If not, is split preferable?

Though there is no preference, deployments in different locations might increase marketability of the technology.

19. If energy savings could be demonstrated in the reduction of natural gas used to generate electricity, would that qualify for this PON?

No. The technologies must have direct electricity savings to the industrial, agriculture, or water sectors. The focus of this solicitation is not on reducing natural gas use or generating electricity.

20. Will the Energy Commission fund a project where the efficient production of electricity reduces the cost of products produced by the direct application of electricity in a chemical process such as hydrogen produced via the electrolysis process? This would not seem to conflict with any criteria in PON-14-304.

No. The focus of this solicitation is not on electricity generation.

21. Would generation of bio char using organic bi- products be an eligible technology?

If the technology focuses on electricity generation and the by-product is bio char, then the project is ineligible. Projects that directly reduce the amount of electricity (e.g., kWh saved) used to produce bio char would be eligible.

22. But every application needs at least two demonstration sites? So that means if I wanted to do two categories I would need four demonstration sites?

The same demonstration site may be used for multiple deployments of different technologies (such as two process improvement technologies that operate independently of each other). However, there must be an independent measurement and verification plan for each technology as discussed in Part II of the solicitation.

If the technologies are integrated, then you would only need a minimum of two deployment sites. Integrated technologies consist of multiple technologies that work synergistically with each other and the energy savings from one project is enhanced by the other. An example is a control technology working in conjunction with a process improvement technology. For each integrated technology, please submit one application. Under "Project Category" select only one box for the item that is most applicable to your technology or that has the greatest electricity savings.

23. What if we demonstrate that the way we produce electricity can be done much more efficiently and more inexpensively?

The focus of this solicitation is not on electricity generation.

24. I would like to confirm what I think I just heard. Someone said “electric generation, renewable energy generation is not eligible.”

Correct. This solicitation is seeking energy efficiency and the end use improvements, not electricity production or generation.

25. Is a technology that shortens the time, let’s say for food or beverage processing, that doesn’t directly impact the energy, only indirectly impacts it, be eligible?

No. Projects must have direct electricity savings. Though the technology could have other non-energy benefits, the main benefit must be electricity (kWh) and/or electrical demand (kW) savings. The EPIC funds must benefit energy electricity ratepayers.

26. Under category number 7, attachment 15, post harvest processing improvement, is an improved winemaking process that will help reduce energy consumption part of post harvest processing improvement?

Yes.

27. Will an integrated approach to achieve net zero energy consumption be eligible for the winemaking process?

To reach net zero you would need to generate electricity. We would not fund the electricity generation portion but it could be included as match funding. However, we would fund that portion of the project associated with deploying energy efficient technologies.

28. Would reduction of grid demand by self generation be considered an efficiency measure?

No. Self generation and electricity generation are not eligible.

29. Would sub generation as a means of demand response qualify for this solicitation?

We assume you mean self generation. If so, the answer is no. See the response to Question 2 for a definition of “demand response.”

30. Are software technologies eligible for the solicitation? Is software acceptable if there is no hardware? Our technology leverages data to alert growers and ranchers when they have problems such as leaks. Our first pilot projects have shown 10% in energy and water savings. There is no hardware.

Yes, as long as there is direct electric energy savings to the deployment site and you have the necessary six months of data.

31. In our case we can enhance the capabilities with the local data logger at one minute real time data as opposed to 15 minute data about a year later. Is a combination of software and hardware acceptable to this solicitation?

Yes.

32. Will technologies that take otherwise wasted energy and irrigation systems and use that energy to generate electricity be considered?

If the whole purpose is to generate electricity then it is ineligible.

33. For these projects, if electricity generation is used to lower electricity demand from an IOU, would this be eligible?

No.

34. Are energy efficiency education and training programs eligible?

No. However, on-site training related to the deployed technology can be included in an application.

35. If energy savings can be demonstrated to the IOU can it be in the form of energy other than electricity, for example, natural gas savings?

No. The majority of the savings must be direct electricity (kWh) and/or demand (kW) savings to the deployment site. Other energy savings may be noted but the focus is electric energy efficiency.

36. If during the long period from the deadline to submit abstracts to the anticipated notice of award posting date in February of 2015, if the technology gains additional deployment, could it be disqualified as no longer pre-commercial?

Yes, it could be disqualified because the technology appears to be viable and marketable without the need for EPIC funding. See the response to Question 5.

37. Can a farmer installing solar to offset load from irrigation pumping be deemed eligible for energy efficiency pertaining to this grant?

No. Energy generation projects are not eligible.

38. If you have technologies that are currently on the market but you use them in an innovative design or application, would that be an eligible project?

The technology could be considered pre-commercial and be eligible, if it must be modified to meet the requirements of the new application. If the technology is implemented with little or minimal change for the new application, then the technology will not be eligible. See the responses to questions 5 and 6.

39. If the new technology being suggested qualifies for an existing IOU incentive, would this also qualify for EPIC funding?

Funds from utilities can be used as match. However, technologies eligible for utility rebates are typically commercial products and services. These technologies may not be eligible for this solicitation, which focuses on pre-commercial technologies. See the response to question 68.

40. Do we need to have at least two parallel technologies operating, or can we have one site where the technology is running, and then a second, third, and fourth site that it can expand to later down the line?

You will have to identify at least two deployment sites. Both do not need to operate simultaneously. One project can be operated first and the second one later. All projects must be completed by March 31, 2019.

41. Can the second deployment site start operations in the second year?

Yes, as long as all projects and M&V were completed by March 31, 2019.

42. The main purpose is reduction of electricity, but if there are some additional benefits from increased gas production, energy, and coal savings, should we emphasize those or just concentrate on our proposal?

The main emphasis must be electricity savings. The additional benefits listed can also be included.

Water/Wastewater Treatment Processes

43. If a waste water plant has stand-by anaerobic digestion capacity and standby generation capacity and we were to bring that plant to full capacity and offset additional load, would this project be eligible?

No, this solicitation focuses on energy efficiency and not on energy generation projects.

44. Would a wastewater treatment plant that sent wastewater to a composting operation rather than percolation ponds be eligible?

In order to be eligible the project must show direct energy efficiency benefits (e.g., electricity and/or demand savings) to the deployment site.

45. I'm interested in applying to the PON-14-304 solicitation, and I have a question. Our company is actually finishing up a grant under the PON-11-501 solicitation that was to demonstrate energy efficiency in wastewater technology, and we are ready to expand to more sites. We are working with a dairy farm in Lakeside, CA for our current project, and we have a collaboration lined up with another dairy in Modesto, CA to clean their water and generate bio-energy. We have several other dairies interested, but we also have been looking to collaborate with breweries, which are notorious for the generation of large amounts of wastewater. We are wondering if it would make a stronger proposal to branch out and work with two different site types - agricultural and industrial - or to focus on just agricultural sites.

Having a technology that is applicable to a wide range of California industrial, agriculture, and water end-users increases marketability of the technology. However, the six months of verified performance data will need to show that the technology is ready for deployment in that sector.

Additionally, your technology must increase the energy efficiency of each deployment site, such as direct reductions of electricity (kWh) or demand (kW) and not substitution of one form of energy (bioenergy produced electricity) for another (utility purchased electricity). We are not seeking electricity generation projects.

46. We are doing preliminary tests on software that controls pumping schedules in a water distribution system to meet the water utility customer demands and to minimize greenhouse gas emissions (based on time of use and the electric company's energy portfolio). The software can consider operating schemes to minimize cost, minimize consumption of electricity, or minimize greenhouse gas emissions. Sometimes if either reducing cost or reducing greenhouse gas

emissions is the priority of the water utility, the pumping schedule might result in higher electricity consumption. However there is the opportunity, using this type of software to evaluate the tradeoffs of optimizing pumping for either greenhouse gas emission reduction, cost reduction, or electricity demand reduction. Would a project such as this be considered eligible under PON-14-304?

Yes.

47. We have a novel heat activated water treatment technology that is ready for commercial scale demonstration and deployment. The proposed waste water purification process would displace electric ultraviolet (UV) irradiation which is energy intensive and expensive. The technology can employ a variety of heat sources including a natural gas or biogas-fired boiler, recovered waste heat, or heat from a combined heat and power (CHP) unit. Application requirements and available heat sources often favor a CHP system as the most economic source for the heat. The CHP equipment would be a proven commercially available product and is not the technology that is being proposed for demonstration or deployment. The water purification technology driven by the heat from the CHP unit is the proposed technology innovation. The CHP system is the heat delivery vehicle. The CHP equipment would be paid for with match or private funding. Would this project be eligible?

If the project can show direct net electricity savings, then it may be considered. However, using natural gas to substitute for a process that normally uses electricity is not eligible. See the responses to questions 48 and 49.

48. Are novel industrial/water electric energy efficiency solutions that use heat from a commercially available CHP unit eligible for funding?

Yes, if you can show direct electricity savings.

49. If the answer to the question above is yes, can the CHP equipment, if procured during the Agreement period, count toward match funding?

Yes.

50. You list wastewater treatment as an eligible project area, but you don't list it under food processing. Would a wastewater treatment project at a food processing facility be eligible?

Yes.

51. I'm reading page four, and it says water and wastewater energy efficiency as a targeted area. So is this about process related direct energy efficiency benefits or can it include any end use related water efficiency that results in energy savings?

The focus of this solicitation is on water and wastewater treatment process improvements and does not include end-use water efficiency.

52. Within the wastewater category, there are bio solids treatment, solids handling, specifically dewatering, and anaerobic bioreactors, yet the focus of this award is on energy efficiency. Can energy efficiency be defined as a direct reduction in energy requirements whether it's by recuperating electricity generated to offset on-site use, or direct electricity savings to the grid? Does a project need to directly reduce on-site energy or can it also export to the grid such that it directly benefits ratepayers?

The focus of this solicitation is on energy efficiency for the deployment site. Energy efficiency results in the direct reduction of energy use in a facility, either through a reduction of electricity (kWh) or demand (kW). This is generally the result of a process improvement. In this solicitation, electricity generated by a wastewater treatment plant does not qualify as an energy efficiency project. The reason is that the energy use by the facility remains the same, only the source of energy supplied to the facility changes. Please refer to solicitations PON-14-303 and PON-14-305 which focus on energy generation (<http://www.energy.ca.gov/contracts/#current>).

53. Food processing facilities discharge wastewater with high biological oxygen demand BOD. This wastewater currently goes to the local wastewater treatment plant. Wastewater treatment plants have pumping costs and energy embedded in treating that wastewater. If instead the food processor installed on site a new novel technology that reduced the BOD to such a low level that the wastewater treatment plant would use less energy in its treatment process, would this be an eligible project? The energy savings would really be on what happens at the wastewater treatment plant unless the food processing plant reused the water on site. So some of the energy savings or all of it would not be on the food processor but to the wastewater treatment facility, it would be a savings potentially of energy at the treatment plant. Would that be eligible, and what kind of data would the treatment plant have to come up with to support that?

Attachment 15 indicates water/wastewater treatment process improvements would be eligible in this solicitation. One of the items is "viable and economical means of filtering and cleaning wastewater for discharge, irrigation or other reuse options." This type of project

appears to fit in this category. To show direct savings, the BOD removal must also reduce on-site electricity use or the applicant must be the treatment facility. The treatment facility must indicate the methodology used to calculate the electricity savings based on reductions in BOD in the wastewater.

54. If a wastewater plant has standby anaerobic digestion capacity and standby generation capacity and we were to bring that plant to full capacity and offset additional load, would that be eligible?

No.

Test Plans, Monitoring and Verification Data

55. Regarding the requirement that at least 6-months of verified performance data be obtained, we are currently in the process of collecting performance data. We will not have 6 months worth of data by the application deadline but will have this well before the start of the project if a grant is awarded. Is this acceptable for this application?

No. In order to determine whether your technology is ready for scale-up and is capable of performing reliably and safely, we must have the performance data at the time at the time of abstract submission.

56. Would Energy M&V and Demand management projects be eligible?

If you pass Stage 1 and submit a full proposal in response to Stage 2, you must include an M&V plan for the funded technology at the deployment site. Demand response technologies are eligible for this solicitation; please refer to Questions 2, 10, and 29 for discussion on demand response.

57. Does the M&V data required for the PON-14-304 application need to be independently certified? I understand that after project deployment independent M&V must be conducted, but it's unclear if the pilot test data must also have been independently conducted.

The 6 month (pilot test) data for the application does not need to be independently certified. However, independent M&V must be conducted on the Energy Commission-funded deployment project as indicated in Part II, section B. 5.

58. The window between having a proven technology with a minimum of six months test data and commercialization is short depending on how you define both ends. It will be especially hard to meet this requirement for a multi-year project. Often technology is introduced "commercially" only to go through significant changes in the first few years of very limited deployment. We have found this to be the ideal time for robust demonstrations to shake out the technology and provide market credibility. Can we assume that pre-commercialization means the product may be available but has very limited sales/market share in California?

See the responses to questions 5 and 13.

59. Is this PON specifically targeting electricity cost savings or electrical use? Specifically, should applications target \$s, kW, or kWh saved? Is there a

minimum quantity of savings required to qualify as a commercial-ready demonstration?

This solicitation focuses on electricity savings (kWh) and/or load reductions (kW). The savings can be translated to cost savings using electric rates from the IOU servicing your deployment site. There is no minimum quantity of savings required. However, you should review the Stage 1 (abstract screening) and Stage 2 (proposal screening and scoring) criteria to determine particular areas of emphasis for this solicitation. Examples include IOU ratepayer benefits, lower energy costs, and technological advancements and breakthroughs.

60. If we have completed "field, lab, bench-scale, and/or pilot-scale tests" in a non-industrial setting, but comparable in size for upscale transference and application (i.e. large-size office/commercial building), could this previous research/work qualify?

It may qualify but depends on how applicable the bench scale test is to the industrial sector. Energy efficiency in commercial buildings focus more on end-use, and industrial facilities focus on process loads. You will need to justify the applicability of the test and why deployment in the industrial sector would have similar results.

61. If we have completed these "tests" in an industrial setting, but do not have six months of independently gathered and reported M&V data, is there an equivalent that can be considered in the replacement of this particular requirement? An example might be three or more (but less than six) months of internally generated M&V data which shows months of measurable benefit and can be extrapolated to indicate reasonable expectation of similar benefit over six months or more.

No, the requirement is a total of 6 months of data.

62. If the data collection is over a period of time, maybe testing has been done in different intervals over a long period of time, in groups of months, but maybe not in a continuous six month effort. What would be your opinion on that?

The data for abstract submission must be for a total of 6 months, it does not need to be 6 consecutive months.

63. Referring to the six months of data requirement, will data collected by the manufacturer at its R&D facility qualify as an acceptable qualified data source?

Yes.

64. Can you explain the following requirements? The project must have completed field, lab, pilot, or bench-scale testing. The demonstration project funded here must take place in the service territory of SDG&E or PG&E and must run at least six months with independent verification of results.

The project deployment requirements are discussed in Part II, Section B.3. of the solicitation manual and are explained as follows:

- ***Completed field, lab, or bench-scale testing: This testing must be completed prior to submittal of the Stage One Abstracts. This testing is required to show that the technology is ready for full scale deployment and has the potential of providing ratepayer benefits. At least six months of measurement and verification data is needed to show actual energy and cost savings and other benefits.***
- ***Deployments sites must be in IOU service territory (PGE, SDGE and SCE): All deployments must be in one or multiple IOU territories since these ratepayers contribute to the EPIC fund and must be the beneficiaries of project benefits.***
- ***Six months of independent M&V for funded projects: Once projects are deployed and are operational, at least six months of independent M&V is conducted to determine the environmental and economic benefits realized by the projects.***

Match Funding

65. If we were to expand a current project to include installations in California, is it possible to count the out-of-state expenditures for the project towards the 20% match? For example, we already have technology evaluations in New York City, Denver and Chicago, and would like to expand to LA and San Francisco; can we count the monitoring of the other installations as matching to the project, since the data collected at the other installations will be included in the report that will aid the marketing plan?

No. Funding committed for an existing project does not count as match funding.

66. Can the following constitute match funding: Discounts from retail price by a vendor selling a product demonstrated?

No.

67. Demonstration site engineering/admin time to support the project, are these eligible for match funding?

Yes. These would be considered “contractor in-kind labor costs” which are contractor labor costs not charged to the Energy Commission.

68. Can utility rebates be used as match funding?

Funds from utilities can be used as match. However, technologies eligible for utility rebates are typically commercial products and services. These technologies may not be eligible for this solicitation, which focuses on pre-commercial technologies. See the response to question 39.

69. Can match funding come from non-U.S. entities?

Yes.

70. Regarding match funding commitment letters, can these commitments be conditional upon receiving EPIC funds under this solicitation?

Yes. However, the commitment letters must include all of the items in Attachment 11, including an unqualified (without reservation or limitation) commitment that guarantees the availability of the funds for the project if it receives an award under the solicitation.

Formatting & Submittals

71. I do not believe I am personally registered to receive a copy of the written responses to questions. How do I receive a copy of the written responses?

The responses to the questions and the attendees to the pre-bid will be posted to the website:

<http://www.energy.ca.gov/contracts/epic.html#PON-14-304>.

You can also sign up on the Energy Commission list serve located at the following website and check the “Opportunity” category under the Commission General List:

<http://www.energy.ca.gov/listservers/>

72. At what level on Attachment 15 are the project categories defined (i.e., #1 or #1a)?

The project categories are defined by the numbered list and are as follows:

- 1. General Industrial Energy Efficiency Process Improvement***
- 2. Industrial Sector-Specific Energy Efficiency Technologies***
- 3. Advanced Sensors and Controls***
- 4. Optimized Pumps, Fans and Compressed Air***
- 5. Demand Response***
- 6. Data Centers***
- 7. Agricultural Process Technology Deployment***
- 8. Water or Wastewater Technology Process Improvement***
- 9. Water Treatment and Recovery Technology Process Improvement***

73. Can an application be submitted for 1A and 1B section or can only one application be submitted for section 1 in Attachment 15?

There are no restrictions on the number of applications that may be submitted. If you have a technology that is applicable to multiple categories, you can submit for multiple categories. However, if you submit multiple applications to the same category, they would each have to be unique and distinct. If the technologies are integrated into a single “system” only one application is necessary. Please refer to question 22 for integrated technologies.

74. The link on page 2 of Attachment 14 (<http://www.energy.ca.gov/ceus/index.html>) results in: "Sorry... the page you're looking for has been moved or is no longer available"

Here is the corrected link: [California Commercial End Use survey](#)

75. The tables in Attachment 14 are for the residential and commercial sector and do not apply for the requested categories. Will there be comparable guidance for the requested categories?

Yes. Part C of Attachment 14 has been updated. This is the applicable to the solicitation. Please refer to Addendum 2.

76. Section III.A. File Format is listed as "MS Word XP (.doc format) excluding Excel spreadsheets". PON 13-301, 13-303 and 13-305 all list required file format as "MS Word version 1998-2003 or version 2007 or later (doc or .docx), excluding excel spreadsheets". Request PON 13-304 Word file format be the same as that for PON 13-301, 13-303 and 13-305.

We will correct the format requirements to be consistent with the other PONs. The correction will indicate the required file format as follows:

- **File Format: MS Word version 1997-2003 or version 2007 or later (.doc or .docx format), excluding excel spreadsheets**
- **For commitment letters, .pdf format is acceptable**

77. Section III.A. requires 11-point Arial (excluding spreadsheets). Is 11-point Arial required for resumes and commitment and support letters?

Arial 11 point is required for the resumes but not for the commitment letters.

78. Section III.A. Signed commitment and support letters are often sent as PDF documents from the entity providing the letter. Can the directions be modified to allow PDF files for commitment and support letters?

Part III.A of the solicitation has been modified to allow commitment and support letters to be submitted as PDF files. Electronic signatures are not allowed. Please note that that nine hard copies of the application must be submitted, along with one electronic copy saved on a CD ROM or USB memory stick.

79. The Part III.A Stage One page limit section notes that the attachments requested for item #6 of Attachment 13 do not count towards the Attachment 13 eight page limit. Is this correct?

Yes.

- a. Is this information to be included in a separate appendix or is it to be within the Attachment 13 document?

Place the information in Attachment 13 “Abstract Project Summary” as a separate attachment labeled “Abstract Project Summary: Item #6.”

- b. Is there a template for these additional attachments (or appendix)?

No.

- c. We request that the item #6 response be required to be within a separate attachment so that it is easier for the reviewers to determine whether the proposed proposal’s Attachment 13 is compliant with the 8 page limit.

We agree. Place the responses to items 1-5, and 7 in one document that totals no more than 8 pages. Place the response to item 6 in a separate appendix.

80. CEQA (Attachments 1 and 8). A proposer specifies that the proposed work is not considered to be a project under CEQA (thus answers “no” to Question 1 and provides an explanation as to why it is not a project), Additionally, the proposer leaves question 2 of the CEQA question in Att 1 blank. Does the proposer need to complete Attachment 8?

Yes. You must complete Attachment 8 even if your work is not considered a project under CEQA. As indicated in Part III, C. 8., “If the project includes only activities that do not trigger CEQA (such as paper studies), the worksheet (Attachment 8) will help to identify and document this.”

81. Attachment 9. Can we list any of our current or previous CEC project managers as references?

Yes.

82. Are modifications allowed to the proposed project once the Abstract passes Stage 1 and has been invited to submit a formal proposal in Stage 2? Can tasks, partners, sites, budgets, be modified?

Yes.

83. The PON states that the Stage 2 proposals are due January 2nd. Given that many businesses are closed over the holidays, can the due date be extended out one or two weeks?

Yes. The timeline has been extended. The Stage 2 proposal due date is January 9, 2015.

84. There is an 8 page limitation for abstract project summary form (with the exception of attachments requested for #6). Is there a page limit for pilot/bench scale data and results submitted within the project summary form?

There is no limit for the data to be discussed in item 6b. Please see the response to question 79.

85. Can you please confirm if resumes are only required for “key personnel”, but not required for other team members?

You are correct. Resumes are only required for key personnel. As described in Part III, item C.5. and Attachment 5. Key personnel can include staff of the prime and subcontractor. Key personnel are individuals that are critical to the project due their experience, knowledge, and/or capabilities.

86. Is there a total page limitation on resumes (e.g., would 3 resumes with 6 pages be fine)?

There is no limit on the number of resumes. However, resumes may only be a maximum of 2 pages each. See also the response to question 77.

87. Is there a total page limit on commitment letters (i.e., match funding contributors, deployment site, project partners)?

There is no limit on the number of commitment letters. However, commitment letters may not exceed 2 pages each. See also response to questions 77 and 78.

88. Is there a page limit on Reference and work product form (attachment 9) and copies of recent publications?

Attachment 9 states the following requirements:

- ***Section 1-references: you must identify three references for the recipient and two for each subcontractor***
- ***Section 2-work products: you must describe up to three past projects (two pages maximum per project) and include up to 3 recent publications.***

89. There exist page limits for a number of required proposal stage attachments. Are these page limits in respect to exactly how much content we may provide as applicant or do these page limits also include the text of each Attachment's pre-populated sections/questions to be addressed/answered? For example, Attachment 4, Project Narrative Form, there are already three plus pages consisting of pre-populated sections/questions to address.

The page limits described in Part III, Section A of the solicitation manual include all questions and your answers. For instance, Attachment 4 cannot exceed 20 pages which include the questions and your response. Additionally, the listed items may not be modified or shortened. On Attachment 6 Scope of Work Template, you may delete the instructions (in blue) after completing each section.

90. Can we replace the pre-populated headers and footers with our own application of headers and footers? The data would be replicated, but the formatting of headers and footers varies from Attachment to Attachment. It would be a "cleaner" presentation if we could set our own header/footer formatting while respecting the 1" margins all-around requirement. This also goes for page numbers, if that wasn't explicit in my question.

Please leave headers and footers as is. You can number the pages according to your submittal.

91. Can font size for headers and footers be smaller than 11 point font?

No. Please leave headers and footers as is.

Project Category/Multiple Applications

92. If a particular technology can fall into multiple project categories, do we submit multiple applications for each category? Or can we simply check multiple boxes?

You must select one category—generally the one that results in the most electric energy savings.

93. If a particular technology requires multiple applications can the same demonstration sites be used in different applications or does each application require completely separate demonstration sites?

Submit an application for each different technology to be deployed. If you are installing the same technology in multiple locations, you only need to submit one application and indicate the technology and the deployment sites.

If you are using the same site for another technology, then you need to submit another application for that technology along with identifying the required number of deployment sites. You must have at least two deployment sites for the same technology.

Please refer to Question 22 for integrated technologies.

- a. How would the budgeting work if multiple applications got funded? Specifically which application would be responsible for funding the demonstration sites? Would this be negotiated later?

If the same recipient received awards for multiple technologies to be deployed at the same site, the Energy Commission would treat the deployment of each technology as a separate grant. Therefore, each deployment project will have its own budget. During the agreement development phase, the Energy Commission agreement manager will finalize the budget based on discussions with the recipient. The budget amount in the application can be reduced but not increased.

94. In attachment 1, we have to basically check a box to say which group or project category we are applying for. If we want to do multiple project categories do we submit multiple applications?

You must complete one application for each different technology deployed. Examples of technologies/strategies are listed below each project category in Attachment 15. Refer also to question 93.

- a. If we take that approach does every single application need two to three demonstration sites? In other words do I have to put two demonstration sites for each project category and if I was going to try to span multiple project categories how would I essentially fill out an application in that situation?

Each different technology deployed must have at least two demonstration sites listed in Attachment 1. If you have a technology that spans multiple categories, you need to submit one application and you must select only one project category in the Application (Attachment 1) based on the technology that has the greatest electric energy efficiency savings. See also question 93.

For integrated technologies, please refer to question 22.

95. We would like to submit multiple applications. We understand you cannot submit multiple applications to a single category, what defines a category in attachment fifteen, numbers or letters?

As indicated in Part IV, Section E.3. you can submit more than one application for the same project category. However, each application must be distinct and not be duplicative of the other application(s) with respect to the tasks described in the Scope of Work. If you are deploying the same technology in multiple sites, then these can all be included in the same application-see also response to question 93. Attachment 15, Numbers 1-9 constitute the project categories and these are the same categories in the application (Attachment 1). You can submit projects related to the subcategories listed in Attachment 15, such as the alphabetical or bulleted listings. These represent examples of potential projects.

96. Can an application be submitted for sections 1A and 1B of Attachment 15, or can only one application be submitted in section 1?

As indicated in the response to Question 93, you can submit more than one application for the same project category, such as 1A and 1B. However, each application must be distinct and not be duplicative of the other application with respect to the tasks described in the Scope of Work. You can describe each project in the Project Description of Attachment 1 and the purpose and scope of the project in Attachment 13.

97. Can one demonstration site be used in two applications?

Yes, one demonstration site can be used in more than one application for different technologies. See the response to question 22.

98. If a particular technology falls into multiple project categories, do multiple applications need to be filed for each category? Or can we simply check multiple boxes?

For Attachment 1, you must check one box—based on the most predominant category. In your project description for Attachment 1 and Attachment 13, you can also discuss the overlapping category. See the response to questions 93, 94 and 95.

99. If a particular technology requires multiple applications can the same demonstration sites be used in different applications or does each application require completely separate demonstration sites?

It is unclear why multiple applications need to be submitted for a particular technology and why the deployment could not be contained in one application. Though the same demonstration site can be used in multiple applications, the applicant must clearly explain why the project is distinct and needs to be submitted in multiple applications. As each application will be judged on its own merits based on the criteria in Part IV of the solicitation, applications that depend on the results of another application may raise doubt as to whether the technology is ready for large-scale deployment.

See the responses to questions 93, 94, and 95.

100. Is the list of targeted deployment categories listed in PON-14-304 Attachment 15 all encompassing? Or will technologies that fit generally into a category but are not specifically listed qualify?

The project categories in Attachment 15 (numbered items) are the same as those listed in Attachment 1—so the numbered items are all encompassing. The lettered and bulleted items are examples of potential projects and these are not all encompassing. The focus of this solicitation is energy efficiency that results in direct electricity (kWh) or load reductions (kW) savings to the deployment site. Electricity generation projects using natural gas or a renewable energy source are not eligible. Please review the Applicable Technologies/Eligible Projects

section of this Question and Answer document. Current solicitations focusing on electricity generation include PON-14-303 and PON-14-305.

101. Our organization is interested in applying for Group 6: Data Centers funding. As each award is expected to be between \$1M to \$5M, how many total awards do you anticipate making under this Group 6?

Funding is not divided between groups (1-9). There is up to \$27,300,000 available for the project categories listed in Attachment 15. Applicants may request a minimum of \$1,000,000 and a maximum of \$5,000,000. Awards will be made to the highest ranking projects from all of the categories.

102. When submitting Budget Forms, must we include all instruction language intact? The Budget workbook includes an "Instructions" tab at its beginning. Should the content of this tab be submitted along with the Budget workbook (printed and/or electronic version)?

Yes. Do not delete anything from the budget forms including instructions. You may "hide" unnecessary columns and rows. Part IIIA of the solicitation manual describes how you must submit your abstract and proposal. The budget workbook is part of the proposal documents and it must be submitted in both print and electronic versions.

103. In the PON, Sec.IV.G., Scoring Criteria 8. Match Funding..., would you please elaborate or clarify the fourth bullet point which states "The remaining 5 points for this criterion will be based on the level of commitment, dollar value justification, and funding replacement strategy described in the match funding commitment letter (see Attachment 11). The proposal scoring scale in Section G will be used to rate these criteria"? Could you give an example of what a letter or language that fully meets the scoring criteria (to obtain the max 5 points) looks like? This sounds like a qualitative criterion without giving any example of what an ideal answer may be.

This scoring criterion only applies to match funding that exceeds the minimum 20 percent. The fourth bullet focuses on the firmness of the commitment in providing the additional match funds. For instance is the justification for the amount claimed reasonable and how would match funds be replaced, if they become unavailable? We want to ensure that any match funding is fully committed to the project.

104. If we have more general formatting or contracting (i.e. non-technical) questions that arise past the Friday, August 29th, 5pm deadline for submitting questions, is there any further opportunity to have these answered before the Abstract or Proposal is due?

After August 29th, please contact Michael Poe for additional administrative questions.

105. Can the deadline for questions be extended until next week one day since the workshop was only yesterday?

No. We are on a tight schedule to award the funds by June 30, 2015.

Out of State or Country

106. You mentioned that data is required, what if the data comes from other countries, is that acceptable?

This could be acceptable if the data is directly transferable and applicable to the same or similar industrial setting as California. The abstract and project narrative must clearly make the linkages with the foreign data, and explain why this data would be applicable to the technology to be deployed in California and how the technology would be modified to meet requirements in California. Additionally, the data must be understandable to the reader and be in English.

107. I assume that there is no need for the technology to be indigenous to California or the United States, and if that is true, does the 6 months of data collection have to be continuous? Can it be six months spread over a two year period?

The technology does not need to be indigenous to California or the United States. However, in the proposal scoring phase, points will be awarded to those projects that spend more than 60 percent of the funds in California (see Part IV, Section G of the application manual). The six month period does not have to be continuous, but the abstract and narrative must explain reasons for data gaps and how this would not affect the deployment and use of this technology in California. See the responses to questions 61 and 62.

a. Can we include an out-of-state subcontractor?

Yes. However, applicants may receive more points during scoring if more than 60 percent of the funds are spent in California (see Part IV, Section G, page 32 of the application manual).

108. Are pilot test results obtained (at a wastewater treatment facility) out of state eligible?

Yes, the data is acceptable if it directly relates to the technology to be deployed in California.

Commitment Letters

109. Section F. Screening Criteria, item 13: if a commitment letter is provided that is determined by the screeners and reviewers not to be required or does not meet the requirements of Attachment 11, will that that one letter not be considered in the scoring phase, or are all letters not considered in the scoring phase?

If an applicant does not include all required commitment letters (i.e., match funding and deployment site letters) and/or any of the required commitment letters do not meet the requirements of Attachment 11, the applicant will fail the proposal screening and the proposal will not pass to the scoring phase. For example, if the applicant submits match funding and deployment site commitment letters and only one of the deployment site letters meets the requirements of Attachment 11, the application will fail.

If the applicant includes commitment letters that are not required (i.e., project partner commitment letters) and do not meet the requirements of Attachment 11, the letters will not be considered in the scoring phase.

110. Section III specifies only commitment letters but Attachment 4. 4k. also mentions support letters. Are support letters required for this PON?

Support letters are not required in the solicitation and only commitment letters as indicated in Attachment 11.

111. Commitment letters are not required in the first stage but they are required in the second stage. Is this correct?

Yes, commitment letters are required in the second stage.

112. Do you want us to give you names of deployment sites in the first stage? And if they happen to change between two stages is it possible?

Yes, identify deployment sites in the Application (Attachment 1) for Stage One. These locations can change in Stage 2 and you can use the Project Narrative (Attachment 4) to explain deviations.

113. What commitment is required for potential deployment sites for phase one and two?

For Stage One, you must identify the deployment sites in your application (Attachment 1). Stage Two requires commitment letters

from the deployment sites stating that they unconditionally commit to having your technology deployed at their facility.

114. Some technologies benefit from a team approach to development and complex financing. Can different grant award projects be owned by different developers, customers, or financiers as long as the one applicant technology original equipment manufacturer participates directly in implementation and monitoring?

No. Each application must be distinct and not duplicative of applications submitted by other team members. If applications for the same project are submitted, only the first application received by the Energy Commission will be eligible for funding. Your team could include subcontractors and project partners—similar to those listed in your question. Each of these entities could have a role in completing the task in the statement of work or be a project partner. Additionally, the entity performing monitoring and verification must be independent (See Part IV, Section F, criteria 12. of the solicitation).

Budget

115. Section G. Scoring Criteria, Item 6: EPIC Funds Spent in California states “Airline ticket purchases and payments made to out-of-state workers are not considered funds “spent in California.” Is this to be interpreted that any airline tickets purchased for out-of-state workers are not considered to be funds spent in California? Or that all airline tickets purchased are not considered to be funds spent in California?

Airline ticket purchases, even from companies in California, are not considered funds “spent in California” (See Part IV, Section G, criterion 6, page 32.)

116. Attachment 7 instructions state “Airline ticket purchases are not considered funds spent in California”. What about tickets purchased from Virgin America, the headquarters of which are in Burlingame, California?

Airline ticket purchases are not considered funds “spent in California.”

117. Attachment 7, Tab B-3 Prime Labor Rate note “If Subcontractor is a UC or DOE entity, salary identified will be unloaded Monthly” should read “If Contractor is a UC or DOE entity, salary identified will be unloaded Monthly”.

You are correct. See Addendum 2.

a. Could you remove the ‘protection’ from the “This section is for Government Entities only” field. In the past, CEC has asked us to use this field to explain the Base Calculation for Non labor Categories.

Yes. We will remove the protection. See Addendum 2.

118. Attachment 7, Tab B-4b, B-4c – All headers are using the Sub#1 title, rather than the corresponding Sub#2 and Sub#3 titles we input on Tab B-1. This needs to be corrected.

We will correct. See Addendum 2.

119. Attachment 7, Tab B-5. The cell for total Commission funds in the pre-approved travel detail does not include a formula. Can it be added?

Yes. We will add a formula. Please insert additional rows starting on row 15 to preserve the formula. See Addendum 2.