

GRANT REQUEST FORM (GRF)

CEC-270 (Revised 10/2015)

CALIFORNIA ENERGY COMMISSION

New Agreement ARV-17-020 (To be completed by CGL Office)

		-	
600 Fuels and Transportation Division	Christopher Jenks	6	916-654-4201

Ontario CNG Station, Inc.	45-4457796
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Operation and Maintenance Support for Hydrogen Refueling Station Located in Ontario, CA on E. Holt Blvd.
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03 / 01 / 2018	02 / 28 / 2021	\$ 300,000
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☐ ARFVTP agreements \$75K and under delegated to Executive Director.

Proposed Business Meeting Date	02 / 21 / 2018	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Discussion
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Business Meeting Presenter	Christopher Jenks	Time Needed:	5 minutes
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Please select one list serve. Altfuels (AB118- ARFVTP)

Agenda Item Subject and Description

Proposed resolution approving Agreement ARV-17-020 with Ontario CNG Station, Inc., for a \$300,000 grant to cover operation and maintenance costs of the existing hydrogen refueling station located at 1850 East Holt Blvd, Ontario, CA 91761.

1. Is Agreement considered a "Project" under CEQA?

☒ Yes (skip to question 2)☐ No (complete the following (PRC 21065 and 14 CCR 15378)):

Explain why Agreement is not considered a "Project":

Agreement will not cause direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because .

2. If Agreement is considered a "Project" under CEQA:

☒ a) Agreement **IS** exempt. (Attach draft NOE)
☐ Statutory Exemption. List PRC and/or CCR section number:

☒ Categorical Exemption. List CCR section number: Title 14, California Code of Regulations sections 15301 (continued use of facilities) and 15306 (data collection)

☐ Common Sense Exemption. 14 CCR 15061 (b) (3)

Explain reason why Agreement is exempt under the above section:

The grant will fund a portion of the operation and maintenance of existing hydrogen refueling equipment at an existing gas station. Operation and maintenance will include, but is not limited to, ensuring utility access; repairing equipment; and replacing dispensed hydrogen and other gases. This project involves negligible or no expansion of the existing use at the existing facilities, because the use, i.e., hydrogen refueling equipment operation, is already occurring and the operation and maintenance conducted as a part of this project will ensure continued use of the facility.

Data is being collected on the fueling equipment, fueling operation and the quality of the fuel being dispensed as part of a larger state-wide data collection effort to monitor the progress of establishing the State's hydrogen fueling infrastructure

☐ b) Agreement **IS NOT** exempt. (Consult with the legal office to determine next steps.)

Check all that apply

☐ Initial Study☐ Negative Declaration☐ Mitigated Negative Declaration☐ Environmental Impact Report☐ Statement of Overriding Considerations

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**List all subcontractors (major and minor) and equipment vendors: (attach additional sheets as necessary)**

Legal Company Name:	Budget
Allsup Corporation	\$ 108,000
	\$ 0
	\$ 0

Legal Company Name:

Funding Source	Funding Year of Appropriation	Budget List No.	Amount
ARFVTP	17/18	601.118JH	\$300,000
Funding Source			\$
Funding Source			\$
Funding Source			\$
Funding Source			\$
R&D Program Area:	Select Program Area		\$300,000
Explanation for "Other" selection			
Reimbursement Contract #:		Federal Agreement #:	

Name:	Atabak Youssefzadeh	Name:	Atabak Youssefzadeh
Address:	Ontario CNG Station, Inc. 1850 E Holt Blvd	Address:	Ontario CNG Station, Inc. 1850 E Holt Blvd
City, State, Zip:	Ontario, CA 91761	City, State, Zip:	Ontario, CA 91761
Phone:	310-503-7123	Fax:	909-467-1387
E-Mail:	atabak@sbcglobal.net	E-Mail:	atabak@sbcglobal.net

☐ Competitive Solicitation
 ☒ First Come First Served Solicitation
 Solicitation #: GFO-17-601

1. Exhibit A, Scope of Work	<input checked="" type="checkbox"/> Attached
2. Exhibit B, Budget Detail	<input checked="" type="checkbox"/> Attached
3. CEC 105, Questionnaire for Identifying Conflicts	<input checked="" type="checkbox"/> Attached
4. Recipient Resolution	<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Attached
5. CEQA Documentation	<input type="checkbox"/> N/A <input checked="" type="checkbox"/> Attached

Agreement Manager

Date

Office Manager

Date

Deputy Director

Date

Exhibit A

SCOPE OF WORK

TASK LIST

Task #	CPR	Task Name
1		Attend Kick Off Meeting
2		Operate and Maintain the Hydrogen Refueling Station
3	X	Attend Critical Project Review (CPR) Meetings
4		Data Collection and Reporting

GLOSSARY

Specific terms and acronyms used throughout this scope of work are defined as follows:

Term/ Acronym	Definition
ARFVTP	Alternative and Renewable Vehicle and Technology Program
CAM	Commission Agreement Manager
CPR	Critical Project Review
Energy Commission	California Energy Commission
FTD	Fuels and Transportation Division

BACKGROUND

Assembly Bill (AB) 118 (Núñez, Chapter 750, Statutes of 2007), created the ARFVTP. The statute authorizes the Energy Commission to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state's climate change policies. AB 8 (Perea, Chapter 401, Statutes of 2013) re-authorized the ARFVTP through January 1, 2024, and specified that the Energy Commission allocate up to \$20 million per year (or up to 20 percent of each fiscal year's funds) in funding for hydrogen station development until at least 100 stations are operational.

The ARFVTP has an annual budget of approximately \$100 million and provides financial support for projects that:

- Reduce California's use and dependence on petroleum transportation fuels and increase the use of alternative and renewable fuels and advanced vehicle technologies.
- Produce sustainable alternative and renewable low-carbon fuels in California.
- Expand alternative fueling infrastructure and fueling stations.
- Improve the efficiency, performance and market viability of alternative light-, medium-, and heavy-duty vehicle technologies.
- Retrofit medium- and heavy-duty on-road and non-road vehicle fleets to alternative technologies or fuel use.
- Expand the alternative fueling infrastructure available to existing fleets, public transit, and transportation corridors.
- Establish workforce training programs and conduct public outreach on the benefits of alternative transportation fuels and vehicle technologies.

The Energy Commission issued solicitation GFO-17-601 Light Duty Vehicle Hydrogen Refueling Infrastructure Operation and Maintenance Support Grants to provide Operation and Maintenance (O&M) support funding for publicly accessible hydrogen refueling stations that did

not receive O&M support funding or received a portion of the potential \$300,000 in O&M support funding under PON-13-607. The purpose of this solicitation is to ensure the stations remain operational during the predicted large-scale roll-out of Fuel Cell Electric Vehicles (FCEVs). In response to GFO-17-601, Ontario CNG Station, Inc. (Recipient) submitted application #18, which was proposed for funding in the Energy Commission's Notice of Proposed Awards dated January 8, 2018. The Recipient's application and the Notice of Proposed Award issued are incorporated by reference to this Agreement in their entirety.

In the event of any conflict or inconsistency between the terms of the Solicitation and the terms of the Recipient's Application, the Solicitation shall control. In the event of any conflict or inconsistency between the Recipient's Application and the terms of the Energy Commission's Award, the Commission's Award shall control. Similarly, in the event of any conflict or inconsistency between the terms of this Agreement and the Recipient's Application, the terms of this Agreement shall control.

Goals of the Agreement:

The goal of this Agreement is to continue the operation and maintenance of existing hydrogen refueling stations and gather information to improve understanding of needs and uses of hydrogen refueling.

Objectives of the Agreement:

The objectives of this Agreement are to support the operation and maintenance costs of the hydrogen fueling station at 1850 E. Holt Boulevard, Ontario, CA 91761 and gather data on the operation and maintenance of the station.

TASK 1 Attend Kick-off Meeting

The goal of this task is to establish the lines of communication and procedures for implementing this Agreement. The Commission Agreement Manager (CAM) shall designate the date and location of this meeting and provide an agenda to the Recipient prior to the meeting.

The Recipient shall:

- Attend a "Kick-Off" meeting with the CAM, the Commission Agreement Officer, and a representative of the Accounting Office. The Recipient shall bring its Project Manager, Agreement Administrator, Accounting Officer, and others designated by the CAM to this meeting.
- Discuss the following administrative and technical aspects of this Agreement:
 - Agreement Terms and Conditions,
 - The CAM's expectations for accomplishing the tasks described in the Scope of Work.
- Prepare and submit written notification of the date that the station is operational.
- Document that the station is operational in accordance with the requirements in GFO-17-601, Section II.B.2, including, but not limited to, the submittal of the following:
 - All required permits.

- Documentation that the station's hydrogen purity test results demonstrate that the station is in compliance with SAE International J2719: 2015 "Hydrogen Fuel Quality for Fuel Cell Vehicles."
- Photograph evidence (with distinguishing elements to demonstrate the station's location), written description of the process, and results of fueling at least one fuel cell electric vehicle.
- A written certification that:
 - the station has a hydrogen fuel supply;
 - all station/dispenser components are installed;
 - the hydrogen refueling station has a working, functional utility connection and service; and,
 - the station is open to the public, meaning that no physical barriers exist which would preclude the public from entering and using the refueling station.
- Follow Special Terms and Conditions, Exhibit G.

Recipient Products:

- Written notification of the operational date of the station.
- Documentation and evidence that the station is operational.

Commission Agreement Manager Product:

- Kick-Off Meeting Agenda

TASK 2 Operate and Maintain the Hydrogen Refueling Station

The goal of this task is to operate and maintain the hydrogen fueling station.

The Recipient shall:

- Operate and maintain the hydrogen refueling station
- Prepare Monthly Progress Reports which summarize all Agreement activities conducted by the Recipient for the reporting period verifying operation of the hydrogen refueling station. This shall include the number of fills and kg of throughput for the month.

Recipient Products:

- Monthly Progress Reports provided to the CAM by the 10th of the month following the reporting period.

TASK 3 Attend Critical Project Review (CPR) Meetings

The goal of this task is to provide the opportunity for frank discussions between the Energy Commission and the Recipient. The CAM may schedule CPR meetings as necessary, and meeting costs will be borne by the Recipient. Meeting participants include the CAM and the Recipient and may include the Commission Agreement Officer, the Fuels and Transportation Division (FTD) program lead, other Energy Commission staff and Management as well as other individuals selected by the CAM to provide support to the Energy Commission.

The CAM shall:

- Determine the location, date, and time of each CPR meeting with the Recipient. These meetings generally take place at the Energy Commission, but they may take place at another location.
- Send the Recipient the agenda and a list of expected participants in advance of each CPR. If applicable, the agenda shall include a discussion on both match funding and permits.
- Conduct and make a record of each CPR meeting. Prepare a schedule for providing the written determination described below.
- Determine whether to continue the project, and if continuing, whether or not modifications are needed to the tasks for the remainder of the Agreement. Modifications to the Agreement may require a formal amendment (please see section 8 of the Terms and Conditions). If the CAM concludes that satisfactory progress is not being made, this conclusion will be referred to the Lead Commissioner for Transportation for his or her concurrence.
- Provide the Recipient with a written determination in accordance with the schedule. The written response may include a requirement for the Recipient to revise one or more product(s) that were included in the CPR.

The Recipient shall:

- Prepare a CPR Report for each CPR that discusses the progress of the Agreement toward achieving its goals and objectives. This report shall include recommendations and conclusions regarding continued work of the projects. This report shall be submitted along with any other products identified in this scope of work. The Recipient shall submit these documents to the CAM and any other designated reviewers at least 15 working days in advance of each CPR meeting.
- Present the required information at each CPR meeting and participate in a discussion about the Agreement.

CAM Products:

- Agenda and a list of expected participants
- Schedule for written determination
- Written determination

Recipient Product:

- CPR Report(s)

TASK 4 Data Collection and Reporting

The goal of this task is to periodically collect and deliver data related to the operation of the hydrogen refueling station, and to verify that satisfactory and continued progress is made towards achieving the objectives of this Agreement on time and within budget.

The objectives of this task are to summarize activities performed during the reporting period, to identify issues that may affect performance and expenditures, and to form the basis for determining whether invoices are consistent with work performed.

The Recipient shall:

- Prepare and submit a Report of Renewable Hydrogen Dispensed (Exhibit E) every six months during the approved term of the agreement.
- Prepare and submit the National Renewable Energy Laboratory (NREL) Data Collection Tool (Exhibit F) every calendar quarter during the approved term of the agreement.
- Perform and submit results of purity using hydrogen collected, at the nozzle, at the station address. Purity tests will be performed:
 - at the time the station becomes operational (to meet the operational definition);
 - every six months after the station becomes operational during the approved term of this agreement; and,
 - as needed when the hydrogen lines are potentially exposed to contamination due to maintenance or other activity.

Hydrogen purity readings shall be collected according to CCR Title 4 Business Regulations, Division 9 Measurement Standards, Chapter 6 Automotive Products Specifications, Article 8 Specifications for Hydrogen Used in Internal Combustion Engines and Fuel Cells, Sections 4180 and 4181. The Recipient shall also include the date the hydrogen quality reading(s) is taken and any special condition(s) used while the reading(s) is taken.

Recipient Products:

- Biannual Report of Renewable Hydrogen Dispensed (Exhibit E)
- Quarterly NREL Data Collection Tool (Exhibit F)
- Initial, biannual and as needed hydrogen purity test results

EXHIBIT G

SPECIAL TERMS AND CONDITIONS

A. Precedence

These Special Terms and Conditions take precedence over all other terms and conditions and Exhibits in this agreement in event of inconsistency or conflict of terms.

B. Recitals and Separate Consideration

1. Under Agreement ARV-14-009 (between Recipient and the California Energy Commission), Recipient acknowledges and agrees that it was erroneously overpaid by \$56,205 ("Overpayment Amount").
2. Recipient acknowledges it has received multiple demands for repayment of the Overpayment Amount from staff of the California Energy Commission.
3. Recipient affirms that it has no basis in law or equity to dispute any of the Overpayment Amount.
4. Recipient and California Energy Commission agree that Recipient has not repaid any amount of the Overpayment Amount to the California Energy Commission and the entire amount is still due and owing.
5. This agreement ARV-17-020 ("Agreement") between Recipient and the California Energy Commission for \$300,000.00 is to support Recipient's operation and maintenance costs ("O&M") to operate and maintain its hydrogen fueling station in Ontario, California for at least 3 years following agreement execution.
6. As separate and independent consideration for the California Energy Commission's promise to allow the Recipient to repay the Overpayment Amount in monthly installments from actual allowable expenditures incurred and invoiced by Recipient under this Agreement, Recipient agrees to allow the California Energy Commission to offset \$2,000 in

allowable expenditures for each month of the Agreement until the Overpayment Amount is paid in full.¹

7. Recipient acknowledges and agrees that \$2,000 per month in allowable expenditures incurred under this Agreement will not be disbursed to the recipient and will be used to satisfy the Overpayment Amount due and payable to the Energy Commission. Recipient agrees to this offset process and has no objection to its use.

C. Process

1. Recipient agrees that its monthly payment obligation of \$2,000 continues for each month of this Agreement until the Overpayment Amount is paid in full, despite the frequency of Recipient's invoices.
2. When the California Energy Commission receives an invoice, the Commission Agreement Manager (CAM) will review the invoice and supporting documentation. If the CAM is satisfied that all conditions for payment have been met, the amount of the invoice will be reduced by the calculated offset amount and the CAM will forward it to the Commission's Accounting Office for processing. The CAM shall calculate the offset amount in the following manner.
 - a. **First Invoice.** Calculate the full and partial months that have passed since the start of the Agreement. For each full month, apply \$2,000 as the amount to offset.

For partial months, prorate the \$2,000 based on the number of calendar days in the partial months. Partial months will be calculated based on the "Period Covered by this Request" on the Energy Commission's invoice template. For the first invoice, the "Period Covered by this Request" start date will be the date the Agreement is fully executed.

Total the amounts for full months and partial months. This is the total that shall be offset from Recipient's first invoice. If the invoice amount approved by the CAM is less than the calculated

¹ Authority for the Commission to offset amounts owed comes from California State Administrative Manual § 8790.

offset amount, the entire invoice will be offset and the remaining offset amount shall carry forward to the next invoice.

- b. **Subsequent Invoices.** Calculate the full and partial months that have passed since the preceding invoice. For each full month, apply \$2,000 as the amount to offset.

For partial months, prorate the \$2,000 based on the number of calendar days in the partial months. Partial months will be calculated based on the "Period Covered by this Request" on the Energy Commission's invoice template. The start date for the "Period Covered by this Request" on subsequent invoices will be the day immediately following the "Period Covered by this Request" on the invoice preceding invoice. The "Period Covered by this Request" may not include gaps in time periods from one invoice to the next.

Total the amounts for full months and partial months and add any carryover offset amounts from prior invoices. This is the total that shall be offset from the Recipient's invoice. If the invoice amount approved by the CAM is less than the calculated offset amount, the entire invoice will be offset and the remaining offset amount shall carry forward to the next invoice.

Continue this process until the Overpayment Amount is paid in full.

- c. If at any time the remaining Overpaid Amount is equal to or exceeds the amount of undisbursed funds in this Agreement, the Energy Commission will offset all allowable expenditures invoiced to the Energy Commission to satisfy the Overpaid Amount due and payable to the Energy Commission.
 - d. No interest shall be charged or collected related to the Overpayment Amount during the offset process.
- 3. The CAM in consultation with the Commission's Accounting Office personnel shall monitor the Overpayment Amount balance and report the information back to Recipient after each invoice is approved.

D. Other Terms

1. The California Energy Commission reserves the unfettered right to call the full unpaid amount of the Overpayment Amount due at any time by first providing written notice at least 5 days in advance.
2. With respect to any and all rights, claims, demands, or causes of action that could be made by the Energy Commission, known or unknown, whether statutory, contractual, or otherwise, and whether at law, in equity, or otherwise (including the doctrines of waiver, laches, acquiescence, or estoppel), in any jurisdiction, relating to, arising out of, or in connection with the Overpayment Amount from ARV 14-009, and including but not limited to breach of contract and any tort-based claims (collectively, the Commission's Overpayment Claims), Recipient hereby waives all defenses, whether statutory, equitable, common law, or otherwise, that the Commission's Overpayment Claims are barred by any statute of limitations or other claim of untimeliness under the California Code of Civil Procedure or any other source and hereby consents to the Energy Commission bringing an action based on the Commission's Overpayment Claims against Recipient regardless of the effect of any statute of limitation or other claim of untimeliness under the California Code of Civil Procedure or any other source. This term survives regardless of how this Agreement might end (e.g., even if by termination by the Energy Commission or by its own terms).

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION - RE: ONTARIO CNG STATION, INC.

RESOLVED, that the State Energy Resources Conservation and Development Commission (Energy Commission) adopts the staff CEQA findings contained in the Agreement or Amendment Request Form (as applicable); and

RESOLVED, that the Energy Commission approves Agreement ARV-17-020 from GFO-17-601 with Ontario CNG Station, Inc., for a \$300,000 grant to cover operation and maintenance costs of the existing hydrogen refueling station located at 1850 East Holt Blvd, Ontario, CA 91761; and

FURTHER BE IT RESOLVED, that the Executive Director or his/her designee shall execute the same on behalf of the Energy Commission.

CERTIFICATION

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the California Energy Commission held on February 21, 2018.

AYE: [List of Commissioners]

NAY: [List of Commissioners]

ABSENT: [List of Commissioners]

ABSTAIN: [List of Commissioners]

Cody Goldthrite,
Secretariat