



**CALIFORNIA
ENERGY COMMISSION**



**California Energy Commission
April 12, 2023 Business Meeting
Backup Materials for Agenda Item No 12:
CALSTART, Inc.**

The following backup materials for the above-referenced agenda item are available in this PDF packet as listed below:

1. Proposed Resolution.
2. Grant Request Form.
3. Scope of Work.

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION: CALSTART, Inc

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

RESOLVED, that the CEC approves Agreement ZVI-22-035 with CALSTART, Inc. for an up to \$25,000,000 block grant to solicit, select, and fund with CEC oversight, projects that will promote in-state battery manufacturing for zero-emission vehicles and related infrastructure. Under this block grant agreement, CEC will perform CEQA review for every proposed sub-grant. Every proposed sub-grant will be brought to a CEC business meeting for approval and a CEQA determination, and no funds may be disbursed until the sub-grant and CEQA determination have been approved; and

FURTHER BE IT RESOLVED, that the Executive Director or their designee shall execute the same on behalf of the CEC.

CERTIFICATION

The undersigned Secretariat to the CEC 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 CEC held on April 12, 2023.

AYE:
NAY:
ABSENT:
ABSTAIN:

Dated:

Liza Lopez
Secretariat



GRANT REQUEST FORM (GRF)

A. New Agreement Number

IMPORTANT: New Agreement # to be completed by Contracts, Grants, and Loans Office.

New Agreement Number: ZVI-22-035

B. Division Information

1. Division Name: Fuels and Transportation Division
2. Agreement Manager: Chris Jenks
3. MS-:6
4. Phone Number: 916-477-1594

C. Recipient's Information

1. Recipient's Legal Name: CALSTART, Inc.
2. Federal ID Number: 95-4375022

D. Title of Project

Title of project: PowerForward

E. Term and Amount

1. Start Date: 4/12/2023
2. End Date: 1/28/2028
3. Amount: \$25,000,000

F. Business Meeting Information

1. Are the ARFVTP agreements \$75K and under delegated to Executive Director? No
2. The Proposed Business Meeting Date: 4/12/23
3. Consent or Discussion? Discussion
4. Business Meeting Presenter Name: Chris Jenks
5. Time Needed for Business Meeting: 5 minutes.
6. The email subscription topic is: Clean Transportation Program

Agenda Item Subject and Description:

CALSTART, Inc. Proposed resolution approving Agreement ZVI-22-035 with CALSTART, Inc. for an up to \$25,000,000 block grant to solicit, select, and fund with CEC oversight, projects that will promote in-state battery manufacturing for zero-emission vehicles and related infrastructure, and adopting staff's determination that this action is exempt from the CEQA. Under this block grant agreement, CEC will perform CEQA review for every proposed sub-grant. Every proposed sub-grant will be brought to a CEC business meeting for approval and a CEQA determination, and no funds may be disbursed until the sub-grant and CEQA determination have been approved. (General Fund Funding) Contact: Chris Jenks (Staff Presentation: 5 minutes)

G. California Environmental Quality Act (CEQA) Compliance

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

Yes

If yes, skip to question 2.



If no, complete the following (PRC 21065 and 14 CCR 15378) and explain why Agreement is not considered a "Project":

2. If Agreement is considered a "Project" under CEQA answer the following questions.

a) Agreement **IS** exempt?

Yes

Statutory Exemption?

No

If yes, list PRC and/or CCR section number(s) and separate each with a comma. If no, enter "None" and go to the next question.

PRC section number: None

CCR section number: None

Categorical Exemption?

No

If yes, list CCR section number(s) and separate each with a comma. If no, enter "None" and go to the next question.

CCR section number: None

Common Sense Exemption? 14 CCR 15061 (b) (3)

Yes

If yes, explain reason why Agreement is exempt under the above section. If no, enter "Not applicable" and go to the next section.

This agreement will not cause a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because: This block grant implementation involves only deskwork and meetings. Subsequent sub-grant awards may be considered projects under CEQA, and may return to CEC Business Meetings for such approvals.

b) Agreement **IS NOT** exempt.

IMPORTANT: consult with the legal office to determine next steps.

Enter Yes or No

If yes, answer yes or no to all that applies. If no, list all as "no" and "None" as "yes".

| Additional Documents | Applies |
|--|-----------------|
| Initial Study | Enter Yes or No |
| Negative Declaration | Enter Yes or No |
| Mitigated Negative Declaration | Enter Yes or No |
| Environmental Impact Report | Enter Yes or No |
| Statement of Overriding Considerations | Enter Yes or No |
| None | Enter Yes or No |

H. Subcontractors



List all Subcontractors listed in the Budget (s) (major and minor). Insert additional rows if needed. If no subcontractors to report, enter "No subcontractors to report" and "0" to funds.

Delete any unused rows from the table

| Subcontractor Legal Company Name | CEC Funds | Match Funds |
|---|--------------|-------------|
| California Clean Energy Fund (New Energy Nexus) | \$650,000 | \$0 |
| YUNEV, LLC | \$100,000 | \$0 |
| Lawrence Berkeley National Laboratory | \$75,000 | \$0 |
| TBD | \$22,500,011 | \$0 |

I. Vendors and Sellers for Equipment and Materials/Miscellaneous

List all Vendors and Sellers listed in Budget(s) for Equipment and Materials/Miscellaneous. Insert additional rows if needed. If no vendors or sellers to report, enter "No vendors or sellers to report" and "0" to funds. **Delete** any unused rows from the table.

| Vendor/Seller Legal Company Name | CEC Funds | Match Funds |
|----------------------------------|-----------|-------------|
| TBD | \$250,000 | \$0 |

J. Key Partners

List all key partner(s). Insert additional rows if needed. If no key partners to report, enter "No key partners to report." **Delete** any unused rows from the table.

| Key Partner Legal Company Name |
|--------------------------------|
| No key partners to report |

K. Budget Information

Include all budget information. Insert additional rows if needed. If no budget information to report, enter "N/A" for "Not Applicable" and "0" to Amount. **Delete** any unused rows from the table.

| Funding Source | Funding Year of Appropriation | Budget List Number | Amount |
|----------------|-------------------------------|--------------------|--------------|
| General Funds | FY 2022-23 | 601.129MGB | \$25,000,000 |

TOTAL Amount: \$25,000,000

R&D Program Area: Enter R&D Program Area. Example: EDMFO: EDMF

Explanation for "Other" selection Enter explanation for "Other"

Reimbursement Contract #: Enter Reimbursement Contract Number

Federal Agreement #: Enter Federal Agreement Number

L. Recipient's Contact Information



1. Recipient’s Administrator/Officer

Name: Jason Zimbler
Address: 48 South Chester Avenue
City, State, Zip: Pasadena, CA 91106
Phone: (917) 687-9149
E-Mail: jzimbler@calstart.org

2. Recipient’s Project Manager

Name: Jason Zimbler
Address: 48 South Chester Avenue
City, State, Zip: Pasadena, CA 91106
Phone: (917) 687-9149
E-Mail: jzimbler@calstart.org

M. Selection Process Used

There are three types of selection process. List the one used for this GRF.

| Selection Process | Additional Information |
|--|------------------------|
| Competitive Solicitation # | GFO-21-606 |
| First Come First Served Solicitation # | Not Applicable |
| Other | Not Applicable |

N. Attached Items

1. List all items that should be attached to this GRF by entering “Yes” or “No”.

| Item Number | Item Name | Attached |
|-------------|--|----------|
| 1 | Exhibit A, Scope of Work/Schedule | Yes |
| 2 | Exhibit B, Budget Detail | Yes |
| 3 | CEC 105, Questionnaire for Identifying Conflicts | Yes |
| 4 | Recipient Resolution | No |
| 5 | Awardee CEQA Documentation | Yes |

Approved By



STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

Grant Request Form
CEC-270 (Revised 10/2022)

Individuals who approve this form must enter their full name and approval date in the MS Word version.

Agreement Manager: Chris Jenks

Approval Date: 2/1/2023

Branch Manager: Charles Smith

Approval Date: 2/22/23

Deputy Director: Melanie Vail

Approval Date: 3/3/23

Exhibit A SCOPE OF WORK

TECHNICAL TASK LIST

| Task # | CPR | Task Name |
|--------|-----|--|
| 1 | | Administration |
| 2 | X | Block Grant Internal Controls, Processes and Procedures |
| 3 | | Program Design Work Group |
| 4 | X | Overall Project Plan Development |
| 5 | | Website Design, Development, Maintenance, and Implementation |
| 6 | X | Sub-Grant Solicitation Development |
| 7 | X | Sub-Grant Implementation |
| 8 | | Data Collection and Analysis |
| 9 | | Manufacturing Sub-Grant Project Fact Sheets |

KEY NAME LIST

| Task # | Key Personnel | Key Subcontractor(s) | Key Partner(s) |
|--------|---------------|--|----------------|
| 1 | Jason Zimble | California Clean Energy Fund (New Energy Nexus) | |
| 2 | Jason Zimble | California Clean Energy Fund (New Energy Nexus) | |
| 3 | Jason Zimble | California Clean Energy Fund (New Energy Nexus) | |
| 4 | Jason Zimble | California Clean Energy Fund (New Energy Nexus) YUNEV, LLC Lawrence Berkeley National Laboratory | |
| 5 | Jason Zimble | California Clean Energy Fund (New Energy Nexus) | |
| 6 | Jason Zimble | California Clean Energy Fund (New Energy Nexus) YUNEV, LLC Lawrence Berkeley National Laboratory | |
| 7 | Jason Zimble | California Clean Energy Fund (New Energy Nexus) YUNEV, LLC | |

| Task # | Key Personnel | Key Subcontractor(s) | Key Partner(s) |
|--------|---------------|--|----------------|
| 8 | Jason Zimpler | California Clean Energy Fund (New Energy Nexus) YUNEV, LLC | |
| 9 | Jason Zimpler | California Clean Energy Fund (New Energy Nexus) | |

GLOSSARY

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

| Term/ Acronym | Definition |
|------------------|--------------------------------------|
| CAM | Commission Agreement Manager |
| CAO | Commission Agreement Officer |
| CEC | California Energy Commission |
| CEQA | California Environmental Quality Act |
| CTP | Clean Transportation Program |
| CPR | Critical Project Review |
| FTD | Fuels and Transportation Division |
| Recipient | CALSTART, Inc. |
| ZEV | Zero-Emission Vehicle |

Background

The Budget Act of 2021 (Assembly Bill (AB) 128, Ting, Chapter 21, Statutes of 2021, as amended by Senate Bill (SB) 129, Skinner, Chapter 69, Statutes of 2021 and SB 170, Skinner, Chapter 240, Statutes of 2021) appropriated \$785,000,000 from the General Fund to support infrastructure deployments and manufacturing projects for zero-emission light-duty and medium- and heavy-duty vehicles. The Budget Act of 2022 (SB 154, Skinner, Chapter 43, Statutes of 2022, as amended by AB 178, Ting, Chapter 45, Statutes of 2022) appropriated an additional \$255,000,000 from the General Fund to support infrastructure deployments and manufacturing projects for zero-emission light-duty and medium- and heavy-duty vehicles.

The Budget Acts of 2021 and 2022 stipulate that manufacturing projects should be selected based on the following criteria:

- Likelihood that manufacturing activities would not have otherwise occurred in-state either in terms of the entity's presence in California or at the scale that may not otherwise be achieved without the manufacturing grant.
- Number and quality of direct and indirect jobs created.
- Economic impact to the state.
- Ability of the project to contribute to California's goals of zero-emission transportation.

On August 9, 2022, the CEC released a Grant Funding Opportunity (GFO) entitled “Zero-Emission Vehicle Battery Manufacturing Block Grant.” This competitive grant solicitation was to seek a block grant implementer to administer \$25 million in grant funds for various zero-emission vehicle (ZEV) battery manufacturing projects throughout California. In response to GFO-21-606, the Recipient submitted application #1 which was proposed for funding in the CEC’s Notice of Proposed Awards on December 29, 2022. GFO-21-606 and Recipient’s application are hereby incorporated by reference into 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 CEC’s Award, CEC’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.

Problem Statement:

The problem to be addressed by this block grant is the shortfall between the existing production capacity for ZEV batteries and that needed to fully transition transportation in California away from the use of fossil fuels.

This block grant agreement economically leverages the state’s shift to ZEVs and supports the goals of Executive Order (EO) B-48-18 and EO N-79-20, pertaining to ZEVs. EO B-48-18 is designed to accelerate the market for ZEVs by establishing a target of 5 million ZEVs in California by 2030 and by significantly expanding ZEV infrastructure, shifting employment from fossil fuel industries to ZEV industries. EO-79-20 establishes a target of 100 percent of in-state sales of new passenger cars and trucks be ZEVs by 2035; 100 percent of medium- and heavy-duty vehicles in the state shall be ZEVs by 2045 for all operations where feasible, and by 2035 for drayage trucks; and transition to 100 percent zero-emission off-road vehicles and equipment by 2035 where feasible.

Goals of the Agreement:

The goals of this Agreement are to:

- 1) Attract and retain ZEV battery manufacturing in California.
- 2) Directly and indirectly create high-quality jobs.
- 3) Create positive economic impacts that benefit local communities and priority populations.
- 4) Contribute to California’s goal of zero-emission transportation.

Objectives of the Agreement:

The objective of this Agreement is to provide nimble and flexible mechanisms to increase the manufacture of ZEV batteries throughout California. Key objectives to evaluate the success towards the project goals include:

- 1) Develop an efficient and effective program with embedded equity-first principles.
- 2) Effectively conduct outreach to a broad stakeholder audience that include industry participants, community organizers, workforce development organizations, policymakers, and regulatory agencies.

- 3) Develop an application process that prepares applicants for pursuing additional funding (beyond this sub-grant).
- 4) Select a diverse, project-ready group of sub-grant recipients.
- 5) Support sub-grant recipients throughout the implementation phase.
- 6) Secure relevant data to bolster California's ability to develop a robust network of in-state ZEV battery manufacturers.

TASK 1 ADMINISTRATION

Task 1.1 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 (CAO), and a representative of the CEC Accounting Office. The Recipient shall bring their Project Manager, Agreement Administrator, Accounting Officer, and any others determined necessary by the Recipient or specifically requested by the CAM to this meeting.
- Provide a written statement of project activities that have occurred after the notice of proposed awards but prior to the execution of the agreement using match funds. If none, provide a statement that no work has been completed using match funds prior to the execution of the agreement. All pre-execution match expenditures must conform to the requirements in the Terms and Conditions of this Agreement.
- Discuss the following administrative and technical aspects of this Agreement:
 - Agreement Terms and Conditions
 - Critical Project Review (Task 1.2)
 - Match fund documentation (Task 1.7) No reimbursable work may be done until this documentation is in place.
 - Permit documentation (Task 1.8)
 - Subawards needed to carry out project (Task 1.9)
 - The CAM's expectations for accomplishing tasks described in the Scope of Work
 - An updated Schedule of Products and Due Dates
 - Monthly Calls (Task 1.4)
 - Quarterly Progress Reports (Task 1.5)
 - Technical Products (Product Guidelines located in Section 5 of the Terms and Conditions)
 - Final Report (Task 1.6)

Recipient Products:

- Updated Schedule of Products
- Updated List of Match Funds
- Updated List of Permits
- Written Statement of Match Share Activities

Commission Agreement Manager Product:

- Kick-Off Meeting Agenda

Task 1.2 Critical Project Review (CPR) Meetings

CPRs provide the opportunity for frank discussions between the CEC and the Recipient. The goal of this task is to determine if the project should continue to receive CEC funding to complete this Agreement and to identify any needed modifications to the tasks, products, schedule or budget.

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 CAO, the Fuels and Transportation Division (FTD) program lead, other CEC staff and Management as well as other individuals selected by the CAM to provide support to the CEC.

The CAM shall:

- Determine the location, date, and time of each CPR meeting with the Recipient. These meetings generally take place at the CEC, but they may take place at another location or remotely.
- 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, schedule, products, and/or budget 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 1.3 Final Meeting

The goal of this task is to closeout this Agreement.

The Recipient shall:

- Meet with CEC staff to present the findings, conclusions, and recommendations. The final meeting must be completed during the closeout of this Agreement.

This meeting will be attended by, at a minimum, the Recipient and the CAM. The technical and administrative aspects of Agreement closeout will be discussed at the meeting, which may be two separate meetings at the discretion of the CAM.

The technical portion of the meeting shall present an assessment of the degree to which project and task goals and objectives were achieved, findings, conclusions, recommended next steps (if any) for the Agreement, and recommendations for improvements. The CAM will determine the appropriate meeting participants.

The administrative portion of the meeting shall be a discussion with the CAM about the following Agreement closeout items:

- What to do with any equipment purchased with CEC funds (Options)
 - CEC request for specific “generated” data (not already provided in Agreement products)
 - Need to document Recipient’s disclosure of “subject inventions” developed under the Agreement
 - “Surviving” Agreement provisions
 - Final invoicing and release of retention
- Prepare a schedule for completing the closeout activities for this Agreement.

Products:

- Written documentation of meeting agreements
- Schedule for completing closeout activities

Task 1.4 Monthly Calls

The goal of this task is to have calls at least monthly between CAM and Recipient 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 verbally summarize activities performed during the reporting period, to identify activities planned for the next reporting period, to identify issues that may affect performance and expenditures, to verify match funds are being proportionally spent concurrently or in advance of CEC funds or are being spent in accordance with an approved Match Funding Spending Plan, to form the basis for determining whether invoices are consistent with work performed, and to answer any other questions from the CAM. Monthly calls might not be held on those months when a quarterly progress report is submitted, or the CAM determines that a monthly call is unnecessary.

The CAM shall:

- Schedule monthly calls.
- Provide questions to the Recipient prior to the monthly call.
- Provide call summary notes to Recipient of items discussed during call.

The Recipient shall:

- Review the questions provided by CAM prior to the monthly call
- Provide verbal answers to the CAM during the call.

Product:

- Email to CAM concurring with call summary notes.

Task 1.5 Quarterly Progress Reports

The goal of this task is to periodically 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 activities planned for the next 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 a Quarterly Progress Report which summarizes all Agreement activities conducted by the Recipient for the reporting period, including an assessment of the ability to complete the Agreement within the current budget and any anticipated cost overruns. Progress reports are due to the CAM the 10th day of each January, April, July, and October. The Quarterly Progress Report template can be found on the ECAMS Resources webpage available at <https://www.energy.ca.gov/media/4691>.

Product:

- Quarterly Progress Reports

Task 1.6 Final Report

The goal of the Final Report is to assess the project's success in achieving the Agreement's goals and objectives, advancing science and technology, and providing energy-related and other benefits to California.

The objectives of the Final Report are to clearly and completely describe the project's purpose, approach, activities performed, results, and advancements in science and technology; to present a public assessment of the success of the project as measured by the degree to which goals and objectives were achieved; to make insightful observations based on results obtained; to draw conclusions; and to make recommendations for further projects and improvements to the FTD project management processes.

The Final Report shall be a public document and is limited to 25-pages. If the Recipient has obtained confidential status from the CEC and will be preparing a confidential version of the Final Report as well, the Recipient shall perform the following activities for both the public and confidential versions of the Final Report.

In addition to any other applicable requirements, the Final Report must comply with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability; all applicable regulations and guidelines issued pursuant to the ADA; Cal. Gov. Code sects. 7405 and 11135; and Web Content Accessibility Guidelines 2.0, or a subsequent version, as published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criteria.

The Recipient shall:

- Prepare an Outline of the Final Report, if requested by the CAM.
- Prepare a Final Report complying with ADA requirements and following the latest version of the Final Report guidelines which will be provided by the CAM. The CAM shall provide written comments on the Draft Final Report within fifteen (15) working days of receipt. The Final Report must be completed at least 60 days before the end of the Agreement Term.
- Submit Final Report in Microsoft Word format or similar electronic format as approved by the CAM.
- Include within the Final Report:
 - Total expenditures (including match and in-kind funds)
 - Contributions of the block grant toward the state's goals of ZEV deployment and economic development
 - Manufacturing process improvements
 - Outreach efforts
 - Implementation challenges

Products:

- Outline of the Final Report, if requested
- Draft Final Report

- Final Report

Task 1.7 Identify and Obtain Matching Funds

The goal of this task is to ensure that the match funds planned for this Agreement are obtained for and applied to this Agreement during the term of this Agreement.

The costs to obtain and document match fund commitments are not reimbursable through this Agreement. Although the CEC budget for this task will be zero dollars, the Recipient may utilize match funds for this task. Match funds must be identified in writing and the associated commitments obtained before the Recipient can incur any costs for which the Recipient will request reimbursement.

The Recipient shall:

- Prepare a letter documenting the match funding committed to this Agreement and submit it to the CAM at least 2 working days prior to the kick-off meeting. If no match funds were part of the proposal that led to the CEC awarding this Agreement and none have been identified at the time this Agreement starts, then state such in the letter. If match funds were a part of the proposal that led to the CEC awarding this Agreement, then provide in the letter a list of the match funds that identifies the:
 - Amount of each cash match fund, its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied.
 - Amount of each in-kind contribution, a description, documented market or book value, and its source, including a contact name, address and telephone number and the task(s) to which the match funds will be applied. If the in-kind contribution is equipment or other tangible or real property, the Recipient shall identify its owner and provide a contact name, address and telephone number, and the address where the property is located.
- Provide a copy of the letter of commitment from an authorized representative of each source of cash match funding or in-kind contributions that these funds or contributions have been secured. For match funds provided by a grant a copy of the executed grant shall be submitted in place of a letter of commitment.
- Discuss match funds and the implications to the Agreement if they are reduced or not obtained as committed, at the kick-off meeting. If applicable, match funds will be included as a line item in the progress reports and will be a topic at CPR meetings.
- Provide the appropriate information to the CAM if during the course of the Agreement additional match funds are received.
- Notify the CAM within 10 days if during the course of the Agreement existing match funds are reduced. Reduction in match funds must be approved through a formal amendment to the Agreement and may trigger an additional CPR meeting.

Products:

- A letter regarding match funds or stating that no match funds are provided
- Copy(ies) of each match fund commitment letter(s) (if applicable)

- Letter(s) for new match funds (if applicable)
- Letter that match funds were reduced (if applicable)

Task 1.8 Identify and Obtain Required Permits

The goal of this task is to obtain all permits required for work completed under this Agreement in advance of the date they are needed to keep the Agreement schedule on track.

Permit costs and the expenses associated with obtaining permits are not reimbursable under this Agreement. Although the CEC budget for this task will be zero dollars, the Recipient may budget match funds for any expected expenditures associated with obtaining permits. Permits must be identified in writing and obtained before the Recipient can make any expenditure for which a permit is required.

The Recipient shall:

- Prepare a letter documenting the permits required to conduct this Agreement and submit it to the CAM at least 2 working days prior to the kick-off meeting. If there are no permits required at the start of this Agreement, then state such in the letter. If it is known at the beginning of the Agreement that permits will be required during the course of the Agreement, provide in the letter:
 - A list of the permits that identifies the:
 - Type of permit
 - Name, address and telephone number of the permitting jurisdictions or lead agencies
 - The schedule the Recipient will follow in applying for and obtaining these permits.
- Discuss the list of permits and the schedule for obtaining them at the kick-off meeting and develop a timetable for submitting the updated list, schedule and the copies of the permits. The implications to the Agreement if the permits are not obtained in a timely fashion or are denied will also be discussed. If applicable, permits will be included as a line item in the Progress Reports and will be a topic at CPR meetings.
- If during the course of the Agreement additional permits become necessary, provide the appropriate information on each permit and an updated schedule to the CAM.
- As permits are obtained, send a copy of each approved permit to the CAM.
- If during the course of the Agreement permits are not obtained on time or are denied, notify the CAM within 5 working days. Either of these events may trigger an additional CPR.

Products:

- Letter documenting the permits or stating that no permits are required
- A copy of each approved permit (if applicable)
- Updated list of permits as they change during the term of the Agreement (if applicable)

- Updated schedule for acquiring permits as changes occur during the term of the Agreement (if applicable)
- A copy of each final approved permit (if applicable)

Task 1.9 Obtain and Execute Subawards

The goal of this task is to ensure quality products and to procure subrecipients required to carry out the tasks under this Agreement consistent with the Agreement Terms and Conditions and the Recipient's own procurement policies and procedures.

The Recipient shall:

- Manage and coordinate subrecipient activities.
- If requested by the CAM, submit a draft of each subaward required to conduct the work under this Agreement to the CAM for review.
- If requested by the CAM, submit a final copy of the executed subaward.
- If Recipient intends to add new subrecipients or change subrecipients, then the Recipient shall notify the CAM.

Products:

- Letter describing the subawards needed, or stating that no subawards are required
- Draft subawards (if requested)
- Final subawards (if requested)

TECHNICAL TASKS

TASK 2 – BLOCK GRANT INTERNAL CONTROLS, PROCESSES, AND PROCEDURES

The goal of this task is to establish the written internal controls, processes and procedures to perform the following activities, including, but not limited to: receive, handle, and account for block grant funding; receive and evaluate sub-grant requests; effect payment for valid and approved sub-grant payment requests; provide monthly fiscal accounting and reporting to the CAM; and minimize errors, fraud, waste, and abuse.

The Recipient shall:

- Develop and submit written Internal Controls, Processes, and Procedures for review and approval by the CAM.
 - Develop Standard Operating Procedures (SOPs) and written workflows for all block grant management tasks.
 - Prepare and submit a *Policies and Procedures Compendium* that includes all SOPs along with an overview of staffing resources in the form of an organizational chart with delineated roles and responsibilities and reporting structure.
 - Ensure that the Compendium clearly outlines the process taken to minimize errors, fraud, waste, and abuse.
- As necessary, no less than annually, update and submit written internal controls, processes and procedures for review and approval by the CAM.

- Establish separate accounts and implement procedures to separately accept, track, disburse, and report on funding from sources other than the CEC. This process will include, but is not limited to:
 - Applying Generally Accepted Account Principles (GAAP) to set up operation of the block grant accounting system and ensuring that funding sources are kept separate.
 - Setting up a general ledger account to track and report block grant funding separately from other project funding.
 - Establishing tracking of monthly expenditures, detailing all administration and grant spending.
 - Setting up internal reconciliation process between records kept by project staff and the records reviewed/processed by Recipient accounting staff to ensure consistency.

Products:

- Policies and Procedures Compendium (written internal controls, processes, and procedures)
- As necessary, updated Policies and Procedures Compendium, no less than annually

[CPR WILL BE HELD IN THIS TASK. See Task 1.2 for details]

TASK 3 – PROGRAM DESIGN WORK GROUP

The goal of this task is to draw a diverse stakeholder group to inform the program design process.

The Recipient shall:

- Establish a Program Design Work Group that includes, but is not limited to:
 - The core project partners;
 - The CEC; and
 - Other relevant public agencies (e.g., Governor’s Office of Business Development).
- Develop *Program Design Work Group Meeting Schedule(s)* and provide a copy / copies to the CAM
- Create a *Report of Program Design Work Group Membership*, regarding all members of the Program Design Work Group, and provide a copy of this report to the CAM
- Hold Program Design Work Group meetings
- Distribute meeting minutes as a *Summary of Program Design Work Group Meetings* and provide a copy to the CAM.

Products:

- Report of Program Design Work Group membership

- Schedule(s) for Program Design Work Group Meetings
- Summary of Program Design Work Group Meetings

TASK 4 – OVERALL PROJECT PLAN DEVELOPMENT

The goal of this task is to develop an *Overall Project Plan* that describes, without limitation:

- Timeline that details milestones, key performance indicators, metrics, and actions or decisions by the Recipient, CEC, and/or potential project partners.
- Target launch timeline for the award of sub-grants.
- Planned outreach and engagement activities including workshops.
- Recipient’s plan to quickly scale if additional sub-grant funds become available, whether from the CEC or other sources, that may require a rapid project launch.

The Recipient shall:

- Develop and submit an *Overall Project Plan* for review and approval by the CAM.
- Update the *Overall Project Plan* regularly, no less than quarterly. Submit each updated *Overall Project Plan* for review and approval by the CAM.

Products:

- Overall Project Plan
- Updated Overall Project Plan, no less than quarterly

[CPR WILL BE HELD IN THIS TASK. See Task 1.2 for details]

TASK 5 – WEBSITE DESIGN, DEVELOPMENT, MAINTENANCE, AND IMPLEMENTATION

The goal of this task is to design, develop and implement a robust, user-friendly website.

The Recipient shall:

- Design a robust, user-friendly program website that will include, but not be limited to:
 - Advertisements on the availability of sub-grants, including the available funding, minimum eligibility and technical requirements;
 - The ability to sign up for, attend, and watch recordings of pre-application workshops;
 - The ability to download application forms;
 - The ability to submit application forms;
 - The ability to submit and receive feedback on the progress of sub-grant applications;
 - The ability to view the Notice of Proposed Award (NOPA) for sub-grant awards;

- The ability to submit and receive feedback on invoices and sub-grant status;
- A mailing list to receive updates and notifications;
- Reports on the status of sub-grants, including the amount of funding received and remaining for each active sub-grant;
- Provide instructions and forms to parties interested in financially contributing to existing or potential sub-grants;
- Provide the ability for interested manufacturers to submit required documents to apply for and participate in sub-grants, including application forms, payment requests, and appropriate documentation;
- Publicly posted descriptions and final reports from the manufacturing projects;
- The capability for sub-grant applicants and participants to access, in real time, the status of sub-grant applications and payments; and
- The ability to read and submit information in multiple languages (English and Spanish at a minimum)
- Develop and submit *Website Documentation* that describes, without limitation, the features, usage, design, and content of the website for review and approval by the CAM. This document, except any material meant for internal use, should be posted to the website.
- Regularly update, maintain, protect, and ensure the security of the entire website. Keep information current including adding new manufacturing sub-grant projects as they are developed and implemented.

Products:

- Website documentation on features, usage, design, and content

TASK 6 – SUB-GRANT SOLICITATION DEVELOPMENT

The goal of this task is to design and submit, in consultation with the CEC, a targeted ZEV battery manufacturing sub-grant solicitation to the CAM for review and approval. The design of the solicitation shall include, at a minimum:

- The types of eligible ZEV battery manufacturing projects, which may benefit from grant funding, taking into consideration, without limitation:
 - The types of manufacturing (e.g., fabrication, assembly, production);
 - The products being manufactured (e.g., medium- and heavy-duty (MD/HD) ZEV batteries, fuel cell electric vehicle (FCEV) batteries, ZEV charger batteries);
 - The Technology Readiness Level (TRL) and Manufacturing Readiness Level (MRL) of the manufacturing project;
 - The scale of manufacturing (e.g., pilot-scale, commercial);
 - Any complementary funding the manufacturing facility might be eligible for;

- The likelihood that manufacturing activities would not have otherwise occurred in-state either in terms of the entity's presence in California or at the scale that may not otherwise be achieved without the manufacturing sub-grant;
 - The expected number and quality of direct and indirect jobs created;
 - The economic impact to the state;
 - The ability of the project to contribute to California's goals of zero-emission transportation;
 - The localized benefits to tribal, low-income and/or disadvantaged communities;
 - The track record and financial stability of a manufacturer;
 - The expected increase in manufacturing productivity resulting from the sub-grant;
 - The local environmental impacts resulting from the sub-grant; and
 - The term of the manufacturing sub-grant, which should be limited to about three years.
- A description of how sub-grant recipients can use the experience and connection they have with their local communities toward establishing community support and economic development.
 - The high, low, and average sub-grant amount to target.
 - The total funding (administrative and sub-grant) required to implement the solicitation and anticipated sub-grants.
 - Simple, appropriate, user-friendly application documents, including, but not limited to, instruction forms with scope of work, budget, schedule, and final report templates.
 - Key performance indicators and metrics.
 - Sub-grant requirements, including, but not limited to:
 - Attending meetings and submitting reports
 - Conducting outreach
 - Obtaining permits
 - Executing subcontracts
 - Implementing or enhancing ZEV battery manufacturing practices and equipment
 - Collecting data on the performance of the manufacturing enhancements for six months
 - A Manufacturing Sub-Grant Plan with a timeline detailing milestones and actions or decisions by the Recipient, CEC, and/or potential project partners. The plan shall include, but is not limited to:
 - All phases of the sub-grant including planning, development, implementation, and close-out.

- Estimates of how quickly the new or enhanced ZEV battery manufacturing can be deployed from project launch to “steel in the ground”.
- A description of the application intake process, application assessment, notifying applicants of awards, and streamlining the process to ensure timely deployment of manufacturing enhancements.
- Regular updates, no less than quarterly.
- Strategies to leverage private funding to supplement public funds.

The Recipient shall:

- Research and analyze opportunities to establish or enhance ZEV battery manufacturing through grant funding.
- Engage in industry and stakeholder outreach to make potential sub-grant recipients aware of this grant opportunity.
- Engage ZEV battery manufacturers in the planning process of developing the solicitation.
- In collaboration with the CAM, plan, host/attend, and conduct workshops to:
 - Identify grant funding opportunities that will facilitate ZEV battery manufacturing.
 - Seek feedback on the design of the solicitation and subsequent sub-grants, solicitation process, application process, and sub-grant implementation process.
- For the solicitation, develop a process to allow a time extension for a sub-grant. The extension process shall include, at a minimum, how and when to request an extension, levels of review, and a timeline for decisions.
- For the solicitation, develop a procedure for site visits to inspect improvements to manufacturing processes made using sub-grant funding.
- For the solicitation, develop processes and procedures to allow interested third parties (other than the CEC) to provide funding for ZEV battery manufacturing sub-grants. Established processes and procedures must allow these third parties to contribute to the sub-grant efficiently.
- Work with the CAM to develop draft and final versions of the *ZEV Battery Manufacturing Sub-Grant Solicitation*
- Review and submit all *Proposed Sub-Grant Applications* for review and approval by the CAM.
- Work with the CAM on all necessary *Amendments to this Agreement to incorporate all the CAM-approved Sub-Grants*, including, but not limited to, key performance indicators and metrics into this Agreement.

Products:

- Draft ZEV Battery Manufacturing Sub-Grant Solicitation
- Final ZEV Battery Manufacturing Sub-Grant Solicitation

- Proposed Sub-Grant Applications
- Amendments to this Agreement to incorporate sub-grants

[CPR WILL BE HELD IN THIS TASK. See Task 1.2 for details]

TASK 7 – SUB-GRANT IMPLEMENTATION

The goal of this task is to implement and administer the sub-grants approved from Task 6.

No sub-grants may be awarded prior to CEC approving the sub-grant and making California Environmental Quality Act (CEQA) findings at a Business Meeting, and the implementer shall communicate this limitation to applicants for sub-grants. Prior to approval of a sub-grant application, the CEC must comply with CEQA. The block grant implementer cannot enter into any sub-grant prior to CEC approving the sub-grant and making CEQA findings at a Business Meeting. To comply with CEQA, the CEC must have CEQA-related information from sub-grant applicants and sometimes other entities, such as local governments, in a timely manner. The Recipient is responsible to provide this information for each proposed sub-grant to the CEC using the CEQA Worksheet.

It is critical that the Recipient select CEQA-ready sub-grant applications that minimize the time required for the CEC to comply with CEQA and provide all CEQA-related information to the CEC in a timely manner.

In addition to any other right reserved to it under this grant agreement or that it otherwise has, if the CEC determines, in its sole and absolute discretion, that the time required for CEQA review associated with a proposed sub-grant might adversely impact the time available for the proposed project or might consume excessive CEC resources, the CEC may instruct the Recipient to cancel the proposed sub-award, regardless of the Recipient's or proposed sub-awardee's diligence in submitting information and materials for CEQA review.

The CEC will use the information provided by the Recipient to draft the CEQA documents and will present them at a CEC business meeting for approval. The Recipient shall not enter into a sub-grant unless and until the CEC approved the sub-grant and makes findings under CEQA for the project proposed in the sub-grant. The Recipient will communicate this limitation to applicants for sub-grants.

The Recipient shall:

- Develop a sub-grant agreement for each awarded sub-grant and submit to the CAM for review and approval.
- Assist each sub-grant recipient to develop an outreach and advertisement plan for their ZEV battery manufacturing project including development of appropriate *Outreach Materials* to reach targeted markets and areas, in the languages needed by the community – and submit the plan to the CAM for review and approval.
- Upload all relevant *Sub-Grant Agreement Documents*, including, but not limited to, sub-grant information, sub-grant agreement, and relevant documents to website developed under Task 5.

- Submit the information and materials needed to create a CEQA declaration for each proposed sub-grant project, in the form of a *CEQA Worksheet*, to the CAM.
- Upon approval of a sub-grant by the CEC, develop and institute a system to ensure sub-grant funds are then made available in the Recipient's account within 30 calendar days to pay for the approved sub-grants. The Recipient shall forecast the amount of sub-grant funds needed to cover approved sub-grant payments and submit an invoice to the CEC for funds designated for the sub-grants. The period of time covered by the forecast must be approved in writing by the CAM.
- Receive, evaluate, and process sub-grant payment requests on a reimbursement basis.
- Maintain *Non-Confidential Sub-Grant Project Records* for each sub-grant, and provide a copy of all such records to the CAM.

Products:

- A CEQA Worksheet for each proposed sub-grant project.
- Agreement documents for each awarded sub-grant.
- Outreach materials for each sub-grant recipient.
- Non-confidential sub-grant project records for each sub-grant, including, but not limited, to financial records, sub-grant payment documentation (e.g., completed sub-grant payment request forms, photographs of manufacturing enhancements, and other appropriate documentation to confirm compliance with sub-grant requirements), problems/issues experienced, how identified problems/issues were resolved, and a summary of time extension requests.

[CPR WILL BE HELD IN THIS TASK. See Task 1.2 for details]

TASK 8 – DATA COLLECTION AND ANALYSIS

The goal of this task is to collect operational data from each manufacturing sub-grant recipient and to analyze that data for economic and environmental impacts.

The Recipient shall:

- Develop a six-month data collection test plan for sub-grant recipients, as part of the solicitation development in Task 6. The data to be collected by sub-grant recipients is to include, but is not limited to:
 - Key project issues encountered and resolution of the issues.
 - A minimum of 6 months of project and operations data.
 - The number and description of units produced from product beta testing and validation through commercial production.
 - The kilowatt-hours of battery storage manufactured due to the sub-grant, and what would have been manufactured without the sub-grant, and anticipated to be manufactured per year three years after the completion of the project.

- A comparison of project performance and expectations provided in the original project proposal with actual project performance, results, and accomplishments.
- Data on specific jobs and economic impact as a direct result of the project.
- Data on potential job creation, economic development, and increased state revenue as a result of expected future expansion.
- Submit to the CAM the *Data Collection Report* (regarding all data described above) for each individual manufacturing sub-grant project.
- Collect, analyze and compile the data collection reports from the sub-grant recipients into a standardized format. Integrate these combined reports, with combined statistics and summary, into a *Data Collection Information and Analysis Report*.

Products:

- Data Collection Report(s)
- Data Collection Information and Analysis Report

TASK 9 – MANUFACTURING SUB-GRANT PROJECT FACT SHEETS

The goal of this task is to develop an initial and final project fact sheet for each manufacturing sub-grant project that describes the CEC-funded project and the benefits resulting from the project for the public and key decision makers.

The Recipient shall:

- Prepare an *Initial Manufacturing Sub-Grant Project Fact Sheet* at the start of each sub-grant that describes the project and the expected benefits. Use the format provided by the CAM.
- Prepare a *Final Manufacturing Sub-Grant Project Fact Sheet* at each sub-grant's conclusion that describes the project, the actual benefits resulting from the project, and lessons learned from implementing sub-grant for the project. Use the format provided by the CAM.
- Provide at least (6) six *High Quality Digital Photographs* (minimum resolution of 1300x500 pixels in landscape ratio) of pre and post sub-grant facilitated technology installation at the manufacturing sub-grant project sites or related project photographs.

Products:

- Initial Manufacturing Sub-Grant Project Fact Sheets
- Final Manufacturing Sub-Grant Project Fact Sheets
- High Quality Digital Photographs