



**California Energy Commission
November 08, 2023 Business Meeting
Backup Materials for Agenda Item No 03j:
The Candide Group, LLC.**

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

1. Proposed Resolution
2. Grant Amendment Request Form
3. Novation Agreement

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION: The Candide Group, LLC

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 an amendment to agreement EPC-21-040, for a novation changing the grant recipient from Pyro-E, Inc., a California corporation, to The Candide Group LLC., a Delaware limited liability company registered with the California Secretary of State in September 2023. All aspects of the grant project including the project team, scope of work, project schedule, deliverables, budget, and terms and conditions will remain the same. This \$1,548,602 grant funds deployment of a novel auto-modulating power source (AMPS) device that will demonstrate water and cost savings across approximately 150 affordable housing units in Los Angeles. The AMPS technology powers wireless data sensors indefinitely by harnessing energy from water pressure. The bill savings from water and avoidance of lithium battery replacements will be scalable to over two-thirds of California households; 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 November 08, 2023.

AYE:
NAY:
ABSENT:
ABSTAIN:

Dated:

Kristine Banaag
Secretariat



STATE OF CALIFORNIA

GRANT AMENDMENT REQUEST FORM (GARF)

CEC-277 (Revised 12/2019)

CALIFORNIA ENERGY COMMISSION

Original Agreement # EPC-21-040 Amendment # 1

Division	Agreement Manager:	MS-	Phone
ERDD	Misa Werner		916-776-3477

Recipient's Legal Name	Federal ID #
The Candide Group, LLC	86-2640044

Revisions: (check all that apply)	Additional Requirements
<input type="checkbox"/> Term Extension New End Date:	Include revised schedule and complete items A, B, C, & F below.
<input type="checkbox"/> Budget Augmentation Amendment Amount: \$ 0	Include revised budget and complete items A, B, C, D, & F below.
<input type="checkbox"/> Budget Reallocation	Include revised budget and complete items A, B, C, & F below.
<input type="checkbox"/> Scope of Work Revision	Include revised scope of work and complete items A, B, C, E, & F below.
<input type="checkbox"/> Change in Project Location or Demonstration Site	Include revised scope of work and complete items A, B, C, E, & F below.
<input checked="" type="checkbox"/> Novation/Name Change of Prime Recipient	Include novation documentation and complete items A, B, C, & F below.
<input type="checkbox"/> Terms and Conditions Modification	Include applicable exhibits with bold/underline/ strikeout and complete items A, B, C, & F below.

A) Business Meeting Information**Business Meeting approval is not required for the following types of Agreements:**☐ Minor amendments delegated to Executive Director per December 2013 ResolutionProposed Business Meeting Date 11/8/2023 ☒ Consent ☐ Discussion

Business Meeting Presenter Misa Werner Time Needed:

Please select one list serve. EPIC (Electric Program Investment Charge)

Agenda Item Subject and Description:**The Candide Group, LLC**

Proposed resolution approving an amendment to agreement EPC-21-040, for a novation changing the grant recipient from Pyro-E, Inc., a California corporation, to The Candide Group LLC, a Delaware limited liability company registered with the California Secretary of State in September 2023 and adopting staff's determination that this action is exempt from CEQA. All aspects of the grant project including the project team, scope of work, project schedule, deliverables, budget, and terms and conditions will remain the same. This \$1,548,602 grant funds deployment of a novel auto-modulating power source (AMPS) device that will demonstrate water and cost savings across approximately 150 affordable housing units in Los Angeles. The AMPS technology powers wireless data sensors indefinitely by harnessing energy from water pressure. The bill savings from water and avoidance of lithium battery replacements will be scalable to over two-thirds of California households. (EPIC funding)

Contact: Misa Werner

**GRANT AMENDMENT REQUEST FORM (GARF)****B) List all subcontractors (major and minor) and equipment vendors: (attach additional sheets as necessary)**

Legal Company Name:	Budget
Instron	\$60,000
Nordson	\$ 100,000
Agilent	\$ 30,000
Agie GF Machining Solutions	\$ 100,000
Centorr Vacuum Industries	\$ 25,000
QorTek, Inc.	\$ 100,000 (Match only)

C) List all key partners: (attach additional sheets as necessary)

Legal Company Name:

D) Budget Information (only include amendment amount information)

Funding Source	Funding Year of Appropriation	Budget List Number	Amount
			\$

R&D Program Area: EDMFB: EDMF

TOTAL: \$ 0

Explanation for "Other" selection

Federal Agreement #:

E) California Environmental Quality Act (CEQA) Compliance

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":

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

a) ☒ Agreement **IS** exempt.☐ Statutory Exemption. List PRC and/or CCR section number:☒ Categorical Exemption. List CCR section number: 14 CCR 15301 and 15306☐ Common Sense Exemption. 14 CCR 15061 (b) (3)

Explain reason why Agreement is exempt under the above section:

The CEC made CEQA findings pertaining to this agreement when it approved the original agreement at the June 8, 2022, CEC Business Meeting. This amendment is a novation transferring the agreement from one entity to another. The novation does not change any aspects of the project and therefore will not result in any impacts to the environment already considered in June 2022 and does not change the applicability of the categorical exemptions under CCR sections 15301 and 15306 of the CEQA Guidelines.



STATE OF CALIFORNIA

GRANT AMENDMENT REQUEST FORM (GARF)

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CALIFORNIA ENERGY COMMISSION

- 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

F) The following items should be attached to this GARF (as applicable)

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

Misa Werner
Agreement Manager

10/2/23
Date

Anthony Ng
Branch Manager

10/2/23
Date

N/A
Deputy Director (*delegated to Branch Manager*) Date

NOVATION AGREEMENT

This Novation Agreement (“Novation”) is entered into by and between State Energy Resources Conservation and Development Commission (“Energy Commission”), a California state agency located at 715 P Street, Sacramento, California 95814, Pyro-E, Inc. (“Assignor”), a California corporation located at 9248 ½ Hall Road, Downey, CA 90241, and The Candide Group LLC, a Delaware limited liability company located at 9248 ½ Hall Road, Downey, CA 90241 (“Assignee”)(collectively “the Parties”).

RECITALS

A. Whereas, on August 1, 2022, the Energy Commission and Assignor entered into Grant Agreement EPC-21-040 (“Grant Agreement”), under which Assignor was to perform the project entitled “Residential Water Bill Reduction with Self-Powered Diagnostics and Services”.

B. Whereas, in connection with the Grant Agreement, Assignor is seeking to obtain the Energy Commission’s written consent before assigning the Grant Agreement to Assignee.

C. Whereas, Assignor desires to assign and delegate to Assignee all of its rights, responsibilities, duties, title, and interest in and to the Grant Agreement, Assignee desires to accept such assignment and delegation, and Energy Commission is willing to consent to such assignment and delegation and agrees that such assignment and delegation is being made in satisfaction of any related terms in the Grant Agreement and in accordance with the terms and subject to the conditions set forth in this Novation.

AGREEMENT

NOW, THEREFORE, in consideration for the mutual promises contained in this Novation, the Parties agree as follows:

1. True Recitals

The foregoing Recitals are true and correct and included as part of this Novation.

2. Effective Date

The Effective Date of this Novation is the date the Energy Commission signs it (“Effective Date”). The Energy Commission shall be the last of the Parties to sign.

3. Assumption of Grant Agreement Obligations

Assignee assumes and agrees to perform and fulfill all the terms, covenants, conditions, and obligations required to be performed and fulfilled by Assignor under the Grant Agreement arising from and after the Effective Date and any reference to Assignor in the Grant Agreement will be deemed a reference to Assignee. Assignee also assumes all obligations and liabilities of, and all claims against, Assignor under the Grant Agreement as if it was the original party to the Grant Agreement.

4. Assignor and Assignee Representations and Warranties

- a. Authority of Persons Executing Documents. This Novation and all documents or instruments which have or will be executed and delivered pursuant thereto, have or will be executed and delivered by persons who are duly authorized on behalf of the Assignor and Assignee to do so. All actions required under Assignor and Assignee's organizational documents and applicable laws for the authorization, execution, delivery and performance of this Novation, and all documents or instruments which have or will be executed and delivered pursuant thereto have been duly taken.
- b. Valid Binding Agreements. This Novation and all documents or instruments which have or will be executed and delivered pursuant thereto constitute, or will constitute, legal, valid and binding obligations of Assignor and Assignee enforceable against Assignor or Assignee respectively, in accordance with their respective terms.
- c. Assignor's Authority. Assignor asserts and warrants its officers and other employees have no knowledge of any other potential or existing claims to Assignor's rights in the Grant Agreement.

5. Energy Commission's Consent

The Energy Commission consents to Assignee's assumption of the Grant Agreement.

6. Amendment

The Parties agree to amend the Grant Agreement to reflect the change in recipient from Pyro-E, Inc. to The Candide Group LLC. This Novation may not be amended except in a writing signed by the Parties.

7. Future Assignment Requirements

This Novation extends only to the assumption and amendment of the Grant Agreement by Assignee and the Energy Commission. It is not, and shall not be construed to be, a consent or approval by the Energy Commission of any future assignment of the Grant Agreement by Assignee to any other entity. Any future assignments by Assignee shall be subject to the Energy Commission's prior review and approval.

8. Assignor and Assignee Cooperation

Assignor and Assignee agree to execute such documents and instruments as may be necessary to effectuate the intent of this Novation.

9. Successors and Assigns

This Novation shall be binding on and inure to the benefit of the Parties to it, their heirs, executors, administrators, successors in interest, and assigns.

10. Waiver

Notwithstanding anything to the contrary in the Grant Agreement, Energy Commission's consent under this Assignment satisfies any provision of the Grant Agreement requiring notification to Energy Commission or the Energy Commission's consent to the assignment of the Grant Agreement, and will operate as a waiver of any right of termination Energy Commission may have as a result of such assignment of the Grant Agreement. Energy Commission's consent will become effective on the Effective Date.

11. Governing Law

This Novation shall be governed by and construed in accordance with California law. Any and all disputes arising out of this Agreement will be subject to the exclusive jurisdiction of the state and federal courts located in or nearest to Sacramento, California, and each Party hereby consents to the personal jurisdiction and venue thereof.

12. Indemnity

Assignor and Assignee agree to indemnify, defend, and hold harmless the state of California (including the Energy Commission) and state officers, agents, and employees from any and all claims and losses in connection with this Novation, as further provided in the indemnification provision in the Grant Agreement.

13. As of the Effective Date, all notices, requests, claims, demands, or other communications from Energy Commission to Assignee with respect to the Grant Agreement, will be made in accordance with the notice provision of the Grant Agreement and addressed to Assignee as follows:

The Candide Group LLC
9248 ½ Hall Road
Downey, CA 90241
Attention: Kevin Lu
Email: kevin.lu@pyro-e.com

14. As of the Effective Date, if Energy Commission makes payment by check, such payment will be made in accordance with the payment provisions of the Grant Agreement to the following address:

The Candide Group LLC
9248 ½ Hall Road
Downey, CA 90241
Attention: Kevin Lu

15. Severability

If any provision of this Novation is unenforceable or held to be unenforceable, all other provisions will remain in full force and effect.

16. This Novation contains the entire agreement of the Parties and supersedes all previous communications, representations, understandings and agreements, either oral or written, between the Parties with respect to said subject matter.

17. Except as expressly provided herein, nothing contained in this Novation is intended to limit any of the rights or remedies which the Energy Commission may have under the Grant Agreement.

By signing below the Parties hereby agree to the above terms and conditions of this Novation and intend to be legally bound thereby.

PYRO-E, INC:

Pyro-E, Inc.

Name: _____

Title: _____

Date: _____

THE CANDIDE GROUP LLC:

The Candide Group LLC

Name: _____

Title: _____

Date: _____

CALIFORNIA ENERGY COMMISSION:

California Energy Commission

Name: _____

Title: _____

Date: _____