

**GRANT REQUEST FORM (GRF)**CEC-270 (Revised 10/2015)  
COMMISSION

CALIFORNIA ENERGY

New Agreement PIR-18-006 (To be completed by CGL Office)

Division	Agreement Manager:	MS-	Phone
ERDD	Jackson Thach	51	916-327-1625

Recipient's Legal Name	Federal ID Number
DOE- Lawrence Berkeley National Laboratory	94-2951741

Title of Project
Cost-Effective Technologies and Strategies to Improve Energy Efficiency and Reduce Emissions of Direct Heating Equipment in California with Health Benefits

Term and Amount	Start Date	End Date	Amount
	6/28/2019	3/30/2023	\$ 2,000,000

Business Meeting Information
<input type="checkbox"/> ARFVTP agreements under \$75K delegated to Executive Director.
Proposed Business Meeting Date 6/12/2019 <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion
Business Meeting Presenter Amir Ehyai Time Needed: 5 minutes
Please select one list serve. NaturalGas (NG Research Program)

Agenda Item Subject and Description
DOE-LAWRENCE BERKELEY NATIONAL LABORATORY. Proposed resolution approving Agreement PIR-18-006 with the U.S. Department of Energy's Lawrence Berkeley National Laboratory for a \$2,000,000 grant to develop cost-effective strategies to reduce natural gas use and environmental impacts of residential duct-less direct heating equipment, and adopting staff's determination that this action is exempt from CEQA

California Environmental Quality Act (CEQA) Compliance
1. Is Agreement considered a "Project" under CEQA? <input checked="" type="checkbox"/> Yes (skip to question 2) <input type="checkbox"/> No (complete the following (PRC 21065 and 14 CCR 15378)):
2. If Agreement is considered a "Project" under CEQA: <input checked="" type="checkbox"/> a) Agreement <b>IS</b> exempt. (Attach draft NOE) <input type="checkbox"/> Statutory Exemption. List PRC and/or CCR section number: _____ <input checked="" type="checkbox"/> Categorical Exemption. List CCR section number: <u>Cal. Code Regs., tit. 14, §§ 15301, 15306</u> <input type="checkbox"/> Common Sense Exemption. 14 CCR 15061 (b) (3) Explain reason why Agreement is exempt under the above section: Cal. Code Regs., Title 14 section 15301 provides a CEQA exemption for existing facilities The project involves minor alteration of existing facilities and mechanical equipment. New higher efficiency DHE will be installed in the lab and 12 existing homes, replacing older DHE. The project will not involve expansion of the existing use and will not have significant effect on the environment. Cal. Code Regs., Title 14 section 15306 provides a CEQA exemption for information collection. The project will involve basic data collection and research. DHE will be tested in the lab and in 12 existing homes to complete a policy & program modeling and analysis. The research includes basic data collection with no serious or major disturbance to an environmental resource under class 6, since the work includes testing in a lab facility. The project is strictly for information gathering purposes. Both CEQA categorical exemption can independently exempt all activities for this project.
<input type="checkbox"/> b) Agreement <b>IS NOT</b> exempt. (Consult with the legal office to determine next steps.) Check all that apply <input type="checkbox"/> Initial Study <input type="checkbox"/> Environmental Impact Report <input type="checkbox"/> Negative Declaration <input type="checkbox"/> Statement of Overriding Considerations <input type="checkbox"/> Mitigated Negative Declaration

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

Legal Company Name:	Budget
TRC Engineers, Inc.	\$ 514,000
Schlesinger Group, LLC	\$ 90,000
	\$

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

Legal Company Name:
Sensware Inc.

**Budget Information**

Funding Source	Funding Year of Appropriation	Budget List No.	Amount
NG Subaccount, PIERDD	17-18	501.001L	\$2,000,000
			\$
			\$
			\$
R&D Program Area: EERO: Buildings		TOTAL:	\$2,000,000
Explanation for "Other" selection			
Reimbursement Contract #:	Federal Agreement #:		

**Recipient's Administrator/ Officer**

Name:	Joanna Santoro			Name:	Helcio Blum		
Address:	1 Cyclotron Rd, MS 64-0240A			Address:	1 Cyclotron Rd, MS 90R400		
City, State, Zip:	Berkeley, CA 94720-0001			City, State, Zip:	Berkeley, CA 94720-8099		
Phone:	510-486-6824 /	Fax:	- -	Phone:	510-495-2865 /	Fax:	- -
E-Mail:	jlsantoro@lbl.gov			E-Mail:	HBlum@lbl.gov		

**Recipient's Project Manager**

Name:	Helcio Blum		
Address:	1 Cyclotron Rd, MS 90R400		
City, State, Zip:	Berkeley, CA 94720-8099		
Phone:	510-495-2865 /	Fax:	- -
E-Mail:	HBlum@lbl.gov		

**Selection Process Used**

<input checked="" type="checkbox"/> Competitive Solicitation	Solicitation #: GFO-18-503
<input type="checkbox"/> First Come First Served Solicitation	

**The following items should be attached to this GRF**

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

#### I. TASK ACRONYM/TERM LISTS

##### A. Task List

Task #	CPR <sup>1</sup>	Task Name
1		General Project Tasks
2	X	Market Assessment
3	X	Laboratory and Field Evaluation
4	X	Policy and Program Modeling and Analysis
5		Evaluation of Project Benefits
6		Technology/Knowledge Transfer Activities

##### B. Acronym/Term List

Acronym/Term	Meaning
CAM	Commission Agreement Manager
CAO	Commission Agreement Officer
CPR	Critical Project Review
DHE	Direct Heating Equipment. DHE refers to ductless vented wall furnaces (gravity and forced-air), vented floor furnaces, and vented room heaters.
TAC	Technical Advisory Committee

#### II. PURPOSE OF AGREEMENT, PROBLEM/SOLUTION STATEMENT, AND GOALS AND OBJECTIVES

##### A. Purpose of Agreement

The purpose of this Agreement is to fund the development of cost-effective strategies to reduce natural gas use, environmental impacts, and safety and health risks of direct heating equipment (DHE) in California. These strategies will be based on market assessment of this equipment in the state, laboratory and field evaluations, as well as policy and program modeling and analysis.

##### B. Problem/ Solution Statement

###### **Problem**

Low-efficiency and inadequately installed natural gas ductless DHE has adverse energy, economic, environmental, and health implications. Less-efficient heaters contribute to increased household energy costs and greenhouse gas emissions. They are also believed to pose safety and health risks to their users because they use combustion air directly from the living space and have potential for inadequate combustion product venting.

Previous research at the national level and in other states has investigated the benefits of using higher-performance DHE with better heating efficiency and venting arrangements. It is estimated that nine percent of households in California rely on DHE for their heating needs, yet the

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<sup>1</sup> Please see subtask 1.3 in Part III of the Scope of Work (General Project Tasks) for a description of Critical Project Review (CPR) Meetings.

## **EXHIBIT A**

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performance, installation, and operational characteristics of this equipment in California remain poorly understood. This knowledge gap hinders the design of targeted policies and programs that would avoid the adverse effects of this equipment on their users and the environment.

#### **Solution**

The Recipient will identify, analyze, and propose cost-effective strategies to reduce natural gas use and emissions from DHE in California. The strategies are to contribute to improving thermal comfort and indoor air quality in households heated by this equipment. This project will conduct market assessments, laboratory and field evaluations, and policy and program modeling and analysis to estimate energy savings, emissions reduction and the net benefits from building codes and market incentives that—if implemented—will contribute to increase consumer acceptance and regulatory adoption of higher-efficiency DHE models in the state.

### **C. Goals and Objectives of the Agreement**

#### **Agreement Goals**

The goals of this Agreement are to:

- Describe the DHE currently available in California based on availability for purchase, costs and practices for installation and repair, and individual characteristics of existing stock.
- Obtain empirical data on equipment sizing, energy use, indoor air quality, thermal comfort, and emissions from DHE in California; and
- Identify, analyze, and propose cost-effective strategies to reduce natural gas use from DHE in California while improving environmental and health benefits.

#### **Ratepayer Benefits:**

This Agreement will result in the ratepayer benefit of lower energy costs for customers through the reduction of DHE natural gas use—achieved by the project's development of cost-effective strategies to increase the market penetration of advanced, high-efficiency DHE models. Specifically, for the estimated 9% of households in California that rely on DHE for their heating needs, the reduction in natural gas consumption will directly translate into lower energy costs. Ratepayers who are DHE users will also benefit from improved indoor air quality and thermal comfort from the cleaner, enhanced technologies embedded in the high-efficiency DHE models that will meet the requirements of future codes and incentive programs to be developed from the strategies proposed by this project.

#### **Technological Advancement and Breakthroughs:**

This Agreement will lead to technological advancement and breakthroughs to overcome barriers to the achievement of the State of California's statutory energy goals by providing strategies that will accelerate the market penetration of high-efficiency DHE, closing existing information gaps on DHE equipment, and proposing cost-effective strategies to reduce DHE natural gas use. The research further contributes to the goals established by California AB 758 (Building Efficiency, Statutes of 2009, chapter 470), by providing strategies to save energy in buildings; SB 350 (Clean Energy and Pollution Reduction Act of 2015, Statutes of 2015, chapter 547), by providing the Energy Commission with information to support their annual targets for statewide energy efficiency savings in natural gas final end uses of retail customers by January 1, 2030; SB 32 (California Global Warming Solutions Act of 2006, Statutes of 2016, chapter 249), by providing avenues to reduce GHG emissions in the state by December 31, 2030; and AB 3232 (Zero-emission Buildings and Sources of Heat Energy Act of 2018), by proposing initiatives to reduce

## EXHIBIT A

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emissions from the state's residential buildings, thus reducing GHG emissions from the building sector in California.

#### **Agreement Objectives**

The objective of this Agreement is to support the development of cost-effective strategies to reduce natural gas use by DHE, while providing additional environmental, health, and comfort benefits. This will be achieved by:

- Develop a better understanding of the DHE market in California, based on information regarding available DHE models for purchase, DHE installation and repair practices and costs, market barriers to high-efficiency DHE, and characteristics of the households where DHE is the primary source of heating;
- Conduct laboratory and field evaluation of a sample of low-efficiency DHE units currently in operation in the state, and new DHE units that include advanced, emerging technologies, to provide empirical data about equipment sizing, energy use, thermal comfort, indoor air quality, and emissions of these DHE units;
- Analyze the energy, economic, environmental, indoor air quality, health, and thermal comfort benefits from high-efficiency DHE; and
- Develop cost-effective strategies to increase consumer acceptance and regulatory adoption of high-efficiency DHE and reduce natural gas use in the State.

### III. TASK 1 GENERAL PROJECT TASKS

#### **PRODUCTS**

##### **Subtask 1.1 Products**

The goal of this subtask is to establish the requirements for submitting project products (e.g., reports, summaries, plans, and presentation materials). Unless otherwise specified by the Commission Agreement Manager (CAM), the Recipient must deliver products as required below by the dates listed in the **Project Schedule (Part V)**. Products that require a draft version are indicated by marking “**(draft and final)**” after the product name in the “Products” section of the task/subtask. If “(draft and final)” does not appear after the product name, only a final version of the product is required. With respect to due dates within this Scope of Work, “**days**” means working days.

##### **The Recipient shall:**

For products that require a draft version, including the Final Report Outline and Final Report

- Submit all draft products to the CAM for review and comment in accordance with the Project Schedule (Part V). The CAM will provide written comments to the Recipient on the draft product within 15 days of receipt, unless otherwise specified in the task/subtask for which the product is required.
- Consider incorporating all CAM comments into the final product. If the Recipient disagrees with any comment, provide a written response explaining why the comment was not incorporated into the final product.
- Submit the revised product and responses to comments within 10 days of notice by the CAM, unless the CAM specifies a longer time period, or approves a request for additional time.

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#### For products that require a final version only

- Submit the product to the CAM for acceptance. The CAM may request minor revisions or explanations prior to acceptance.

#### For all products

- Submit all data and documents required as products in accordance with the following:

#### Instructions for Submitting Electronic Files and Developing Software:

- **Electronic File Format**

- Submit all data and documents required as products under this Agreement in an electronic file format that is fully editable and compatible with the Energy Commission's software and Microsoft (MS)-operating computing platforms, or with any other format approved by the CAM. Deliver an electronic copy of the full text of any Agreement data and documents in a format specified by the CAM, such as memory stick or CD-ROM.

The following describes the accepted formats for electronic data and documents provided to the Energy Commission as products under this Agreement, and establishes the software versions that will be required to review and approve all software products:

- Data sets will be in MS Access or MS Excel file format (version 2007 or later), or any other format approved by the CAM.
- Text documents will be in MS Word file format, version 2007 or later.
- Documents intended for public distribution will be in PDF file format.
- The Recipient must also provide the native Microsoft file format.
- Project management documents will be in Microsoft Project file format, version 2007 or later.

- **Software Application Development**

Use the following standard Application Architecture components in compatible versions for any software application development required by this Agreement (e.g., databases, models, modeling tools), unless the CAM approves other software applications such as open source programs:

- Microsoft ASP.NET framework (version 3.5 and up). Recommend 4.0.
- Microsoft Internet Information Services (IIS), (version 6 and up) Recommend 7.5.
- Visual Studio.NET (version 2008 and up). Recommend 2010.
- C# Programming Language with Presentation (UI), Business Object and Data Layers.
- SQL (Structured Query Language).
- Microsoft SQL Server 2008, Stored Procedures. Recommend 2008 R2.
- Microsoft SQL Reporting Services. Recommend 2008 R2.
- XML (external interfaces).

Any exceptions to the Electronic File Format requirements above must be approved in writing by the CAM. The CAM will consult with the Energy Commission's Information Technology Services Branch to determine whether the exceptions are allowable.

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#### MEETINGS

##### Subtask 1.2 Kick-off Meeting

The goal of this subtask is to establish the lines of communication and procedures for implementing this Agreement.

##### The Recipient shall:

- Attend a “Kick-off” meeting with the CAM, the Commission Agreement Officer (CAO), and any other Energy Commission staff relevant to the Agreement. The Recipient will bring its Project Manager and any other individuals designated by the CAM to this meeting. The administrative and technical aspects of the Agreement will be discussed at the meeting. Prior to the meeting, the CAM will provide an agenda to all potential meeting participants. The meeting may take place in person or by electronic conferencing (e.g., WebEx), with approval of the CAM.

The administrative portion of the meeting will include discussion of the following:

- Terms and conditions of the Agreement;
- Administrative products (subtask 1.1);
- CPR meetings (subtask 1.3);
- Match fund documentation (subtask 1.7);
- Permit documentation (subtask 1.8);
- Subcontracts (subtask 1.9); and
- Any other relevant topics.

The technical portion of the meeting will include discussion of the following:

- The CAM's expectations for accomplishing tasks described in the Scope of Work;
  - An updated Project Schedule;
  - Technical products (subtask 1.1);
  - Progress reports and invoices (subtask 1.5);
  - Final Report (subtask 1.6);
  - Technical Advisory Committee meetings (subtasks 1.10 and 1.11); and
  - Any other relevant topics.
- Provide an *Updated Project Schedule*, *List of Match Funds*, and *List of Permits*, as needed to reflect any changes in the documents.

##### The CAM shall:

- Designate the date and location of the meeting.
- Send the Recipient a *Kick-off Meeting Agenda*.

##### Recipient Products:

- Updated Project Schedule (*if applicable*)
- Updated List of Match Funds (*if applicable*)
- Updated List of Permits (*if applicable*)

##### CAM Product:

- Kick-off Meeting Agenda

## **EXHIBIT A**

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#### **Subtask 1.3 Critical Project Review (CPR) Meetings**

The goal of this subtask is to determine if the project should continue to receive Energy Commission funding, and if so whether any modifications must be made to the tasks, products, schedule, or budget. CPR meetings provide the opportunity for frank discussions between the Energy Commission and the Recipient. As determined by the CAM, discussions may include project status, challenges, successes, advisory group findings and recommendations, final report preparation, and progress on technical transfer and production readiness activities (if applicable). Participants will include the CAM and the Recipient, and may include the CAO and any other individuals selected by the CAM to provide support to the Energy Commission.

CPR meetings generally take place at key, predetermined points in the Agreement, as determined by the CAM and as shown in the Task List on page 1 of this Exhibit. However, the CAM may schedule additional CPR meetings as necessary. The budget will be reallocated to cover the additional costs borne by the Recipient, but the overall Agreement amount will not increase. CPR meetings generally take place at the Energy Commission, but they may take place at another location, or may be conducted via electronic conferencing (e.g., WebEx) as determined by the CAM.

#### **The Recipient shall:**

- Prepare a *CPR Report* for each CPR meeting that: (1) discusses the progress of the Agreement toward achieving its goals and objectives; and (2) includes recommendations and conclusions regarding continued work on the project.
- Submit the CPR Report along with any other *Task Products* that correspond to the technical task for which the CPR meeting is required (i.e., if a CPR meeting is required for Task 2, submit the Task 2 products along with the CPR Report).
- Attend the CPR meeting.
- Present the CPR Report and any other required information at each CPR meeting.

#### **The CAM shall:**

- Determine the location, date, and time of each CPR meeting with the Recipient's input.
- Send the Recipient a *CPR Agenda* and a *List of Expected CPR Participants* in advance of the CPR meeting. If applicable, the agenda will include a discussion of match funding and permits.
- Conduct and make a record of each CPR meeting. Provide the Recipient with a *Schedule for Providing a Progress Determination* on continuation of the project.
- Determine whether to continue the project, and if so whether modifications are needed to the tasks, schedule, products, or budget for the remainder of the Agreement. If the CAM concludes that satisfactory progress is not being made, this conclusion will be referred to the Deputy Director of the Energy Research and Development Division.
- Provide the Recipient with a *Progress Determination* on continuation of the project, in accordance with the schedule. The Progress Determination may include a requirement that the Recipient revise one or more products.

#### **Recipient Products:**

- CPR Report(s)
- Task Products (draft and/or final as specified in the task)



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#### **CAM Products:**

- CPR Agenda
- List of Expected CPR Participants
- Schedule for Providing a Progress Determination
- Progress Determination

#### **Subtask 1.4 Final Meeting**

The goal of this subtask is to complete the closeout of this Agreement.

#### **The Recipient shall:**

- Meet with Energy Commission staff to present project findings, conclusions, and recommendations. The final meeting must be completed during the closeout of this Agreement. This meeting will be attended by the Recipient and CAM, at a minimum. The meeting may occur in person or by electronic conferencing (e.g., WebEx), with approval of the CAM.

The technical and administrative aspects of Agreement closeout will be discussed at the meeting, which may be divided into two separate meetings at the CAM's discretion.

- The technical portion of the meeting will involve the presentation of findings, conclusions, and recommended next steps (if any) for the Agreement. The CAM will determine the appropriate meeting participants.
- The administrative portion of the meeting will involve a discussion with the CAM and the CAO of the following Agreement closeout items:
  - Disposition of any state-owned equipment.
  - Need to file a Uniform Commercial Code Financing Statement (Form UCC-1) regarding the Energy Commission's interest in patented technology.
  - The Energy Commission's request for specific "generated" data (not already provided in Agreement products).
  - Need to document the Recipient's disclosure of "subject inventions" developed under the Agreement.
  - "Surviving" Agreement provisions such as repayment provisions and confidential products.
  - Final invoicing and release of retention.
- Prepare a *Final Meeting Agreement Summary* that documents any agreement made between the Recipient and Commission staff during the meeting.
- Prepare a *Schedule for Completing Agreement Closeout Activities*.
- Provide *All Draft and Final Written Products* on a CD-ROM or USB memory stick, organized by the tasks in the Agreement.

#### **Products:**

- Final Meeting Agreement Summary (*if applicable*)
- Schedule for Completing Agreement Closeout Activities
- All Draft and Final Written Products

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#### REPORTS AND INVOICES

##### Subtask 1.5 Progress Reports and Invoices

The goals of this subtask are to: (1) periodically verify that satisfactory and continued progress is made towards achieving the project objectives of this Agreement; and (2) ensure that invoices contain all required information and are submitted in the appropriate format.

##### The Recipient shall:

- Submit a monthly *Progress Report* to the CAM. Each progress report must:
  - Summarize progress made on all Agreement activities as specified in the scope of work for the preceding month, including accomplishments, problems, milestones, products, schedule, fiscal status, and an assessment of the ability to complete the Agreement within the current budget and any anticipated cost overruns. See the Progress Report Format Attachment for the recommended specifications.
- Submit a monthly or quarterly *Invoice* that follows the instructions in the “Payment of Funds” section of the terms and conditions, including a financial report on Match Fund and in-state expenditures.

##### Products:

- Progress Reports
- Invoices

##### Subtask 1.6 Final Report

The goal of this subtask is to prepare a comprehensive Final Report that describes the original purpose, approach, results, and conclusions of the work performed under this Agreement. The CAM will review the Final Report, which will be due at least **two months** before the Agreement end date. When creating the Final Report Outline and the Final Report, the Recipient must use the Style Manual provided by the CAM.

##### Subtask 1.6.1 Final Report Outline

##### The Recipient shall:

- Prepare a *Final Report Outline* in accordance with the *Style Manual* provided by the CAM. (See Task 1.1 for requirements for draft and final products.)

##### Recipient Products:

- Final Report Outline (draft and final)

##### CAM Product:

- Style Manual
- Comments on Draft Final Report Outline
- Acceptance of Final Report Outline

##### Subtask 1.6.2 Final Report

##### The Recipient shall:

- Prepare a *Final Report* for this Agreement in accordance with the approved Final Report Outline, Style Manual, and Final Report Template provided by the CAM with the following considerations:

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- Ensure that the report includes the following items, in the following order:
  - Cover page (**required**)
  - Credits page on the reverse side of cover with legal disclaimer (**required**)
  - Acknowledgements page (optional)
  - Preface (**required**)
  - Abstract, keywords, and citation page (**required**)
  - Table of Contents (**required**, followed by List of Figures and List of Tables, if needed)
  - Executive summary (**required**)
  - Body of the report (**required**)
  - References (if applicable)
  - Glossary/Acronyms (If more than 10 acronyms or abbreviations are used, it is required.)
  - Bibliography (if applicable)
  - Appendices (if applicable) (Create a separate volume if very large.)
  - Attachments (if applicable)
- Ensure that the document is written in the third person.
- Ensure that the Executive Summary is understandable to the lay public.
  - Briefly summarize the completed work. Succinctly describe the project results and whether or not the project goals were accomplished.
  - Identify which specific ratepayers can benefit from the project results and how they can achieve the benefits.
  - If it's necessary to use a technical term in the Executive Summary, provide a brief definition or explanation when the technical term is first used.
- Follow the Style Guide format requirements for headings, figures/tables, citations, and acronyms/abbreviations.
- Ensure that the document omits subjective comments and opinions. However, recommendations in the conclusion of the report are allowed.
- Include a brief description of the project results in the Abstract.
- Submit a draft of the report to the CAM for review and comment. The CAM will provide written comments to the Recipient on the draft product within 15 days of receipt
- Consider incorporating all CAM comments into the Final Report. If the Recipient disagrees with any comment, provide a written response explaining why the comment was not incorporated into the final product
- Submit the revised Final Report and responses to comments within 10 days of notice by the CAM, unless the CAM specifies a longer time period or approves a request for additional time.
- Submit one bound copy of the *Final Report* to the CAM along with *Written Responses to Comments on the Draft Final Report*.

#### **Products:**

- Final Report (draft and final)
- Written Responses to Comments on the Draft Final Report

#### **CAM Product:**

- Written Comments on the Draft Final Report

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#### MATCH FUNDS, PERMITS, AND SUBCONTRACTS

##### **Subtask 1.7 Match Funds**

The goal of this subtask is to ensure that the Recipient obtains any match funds planned for this Agreement and applies them to the Agreement during the Agreement term.

While the costs to obtain and document match funds are not reimbursable under this Agreement, the Recipient may spend match funds for this task. The Recipient may only spend match funds during the Agreement term, either concurrently or prior to the use of Energy Commission funds. Match funds must be identified in writing, and the Recipient must obtain any associated commitments before incurring any costs for which the Recipient will request reimbursement.

##### **The Recipient shall:**

- Prepare a *Match Funds Status Letter* that documents the match funds committed to this Agreement. If no match funds were part of the proposal that led to the Energy Commission awarding this Agreement and none have been identified at the time this Agreement starts, then state this in the letter.

If match funds were a part of the proposal that led to the Energy Commission awarding this Agreement, then provide in the letter:

- A list of the match funds that identifies:
  - The amount of cash match funds, their source(s) (including a contact name, address, and telephone number), and the task(s) to which the match funds will be applied.
  - The amount of each in-kind contribution, a description of the contribution type (e.g., property, services), the documented market or book value, the 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 must identify its owner and provide a contact name, address, telephone number, and the address where the property is located.
  - If different from the solicitation application, provide a letter of commitment from an authorized representative of each source of match funding that the funds or contributions have been secured.
- At the Kick-off meeting, discuss match funds and the impact on the project if they are significantly reduced or not obtained as committed. If applicable, match funds will be included as a line item in the progress reports and will be a topic at CPR meetings.
- Provide a *Supplemental Match Funds Notification Letter* to the CAM of receipt of additional match funds.
- Provide a *Match Funds Reduction Notification Letter* to the CAM if existing match funds are reduced during the course of the Agreement. Reduction of match funds may trigger a CPR meeting.

##### **Products:**

- Match Funds Status Letter
- Supplemental Match Funds Notification Letter (*if applicable*)
- Match Funds Reduction Notification Letter (*if applicable*)

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#### **Subtask 1.8 Permits**

The goal of this subtask 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, with the exception of costs incurred by University of California recipients. Permits must be identified and obtained before the Recipient may incur any costs related to the use of the permit(s) for which the Recipient will request reimbursement.

#### **The Recipient shall:**

- Prepare a *Permit Status Letter* that documents the permits required to conduct this Agreement. If no permits are required at the start of this Agreement, then state this in the letter. If permits will be required during the course of the Agreement, provide in the letter:
  - A list of the permits that identifies: (1) the type of permit; and (2) the name, address, and telephone number of the permitting jurisdictions or lead agencies.
  - The schedule the Recipient will follow in applying for and obtaining the permits.

The list of permits and the schedule for obtaining them will be discussed at the Kick-off meeting (subtask 1.2), and a timetable for submitting the updated list, schedule, and copies of the permits will be developed. The impact on the project 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 progress reports and will be a topic at CPR meetings.

- If during the course of the Agreement additional permits become necessary, then provide the CAM with an *Updated List of Permits* (including the appropriate information on each permit) and an *Updated Schedule for Acquiring Permits*.
- Send the CAM a *Copy of Each Approved Permit*.
- If during the course of the Agreement permits are not obtained on time or are denied, notify the CAM within 5 days. Either of these events may trigger a CPR meeting.

#### **Products:**

- Permit Status Letter
- Updated List of Permits *(if applicable)*
- Updated Schedule for Acquiring Permits *(if applicable)*
- Copy of Each Approved Permit *(if applicable)*

#### **Subtask 1.9 Subcontracts**

The goals of this subtask are to: (1) procure subcontracts required to carry out the tasks under this Agreement; and (2) ensure that the subcontracts are consistent with the terms and conditions of this Agreement.

#### **The Recipient shall:**

- Manage and coordinate subcontractor activities in accordance with the requirements of this Agreement.
- Incorporate this Agreement by reference into each subcontract.
- Include any required Energy Commission flow-down provisions in each subcontract, in addition to a statement that the terms of this Agreement will prevail if they conflict with the subcontract terms.
- If required by the CAM, submit a draft of each *Subcontract* required to conduct the work under this Agreement.

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- Submit a final copy of the executed subcontract.
- Notify and receive written approval from the CAM prior to adding any new subcontractors (see the discussion of subcontractor additions in the terms and conditions).

#### **Products:**

- Subcontracts (*draft if required by the CAM*)

### **TECHNICAL ADVISORY COMMITTEE**

#### **Subtask 1.10 Technical Advisory Committee (TAC)**

The goal of this subtask is to create an advisory committee for this Agreement. The TAC should be composed of diverse professionals. The composition will vary depending on interest, availability, and need. TAC members will serve at the CAM's discretion. The purpose of the TAC is to:

- Provide guidance in project direction. The guidance may include scope and methodologies, timing, and coordination with other projects. The guidance may be based on:
  - Technical area expertise;
  - Knowledge of market applications; or
  - Linkages between the agreement work and other past, present, or future projects (both public and private sectors) that TAC members are aware of in a particular area.
- Review products and provide recommendations for needed product adjustments, refinements, or enhancements.
- Evaluate the tangible benefits of the project to the state of California, and provide recommendations as needed to enhance the benefits.
- Provide recommendations regarding information dissemination, market pathways, or commercialization strategies relevant to the project products.

The TAC may be composed of qualified professionals spanning the following types of disciplines:

- Researchers knowledgeable about the project subject matter;
- Members of trades that will apply the results of the project (e.g., designers, engineers, architects, contractors, and trade representatives);
- Public interest market transformation implementers;
- Product developers relevant to the project;
- U.S. Department of Energy research managers, or experts from other federal or state agencies relevant to the project;
- Public interest environmental groups;
- Utility representatives;
- Air district staff; and
- Members of relevant technical society committees.

#### **The Recipient shall:**

- Prepare a *List of Potential TAC Members* that includes the names, companies, physical and electronic addresses, and phone numbers of potential members. The list will be discussed at the Kick-off meeting, and a schedule for recruiting members and holding the first TAC meeting will be developed.
- Recruit TAC members. Ensure that each individual understands member obligations and the TAC meeting schedule developed in subtask 1.11.

## **EXHIBIT A**

### **Scope of Work**

- Prepare a *List of TAC Members* once all TAC members have committed to serving on the TAC.
- Submit *Documentation of TAC Member Commitment* (such as Letters of Acceptance) from each TAC member.

#### **Products:**

- List of Potential TAC Members
- List of TAC Members
- Documentation of TAC Member Commitment

#### **Subtask 1.11 TAC Meetings**

The goal of this subtask is for the TAC to provide strategic guidance for the project by participating in regular meetings, which may be held via teleconference.

#### **The Recipient shall:**

- Discuss the TAC meeting schedule with the CAM at the Kick-off meeting. Determine the number and location of meetings (in-person and via teleconference) in consultation with the CAM.
- Prepare a *TAC Meeting Schedule* that will be presented to the TAC members during recruiting. Revise the schedule after the first TAC meeting to incorporate meeting comments.
- Prepare a *TAC Meeting Agenda* and *TAC Meeting Back-up Materials* for each TAC meeting.
- Organize and lead TAC meetings in accordance with the TAC Meeting Schedule. Changes to the schedule must be pre-approved in writing by the CAM.
- Prepare *TAC Meeting Summaries* that include any recommended resolutions of major TAC issues.

#### **The TAC shall:**

- Help set the project team's goals and contribute to the development and evaluation of its statement of proposed objectives as the project evolves.
- Provide a credible and objective sounding board on the wide range of technical and financial barriers and opportunities.
- Help identify key areas where the project has a competitive advantage, value proposition, or strength upon which to build.
- Advocate on behalf of the project in its effort to build partnerships, governmental support and relationships with a national spectrum of influential leaders.
- Ask probing questions that insure a long-term perspective on decision-making and progress toward the project's strategic goals.

#### **Products:**

- TAC Meeting Schedule (draft and final)
- TAC Meeting Agendas (draft and final)
- TAC Meeting Back-up Materials
- TAC Meeting Summaries

## EXHIBIT A

### Scope of Work

#### IV. TECHNICAL TASKS

*Products that require a draft version are indicated by marking “(draft and final)” after the product name in the “Products” section of the task/subtask. If “(draft and final)” does not appear after the product name, only a final version of the product is required. **Subtask 1.1 (Products)** describes the procedure for submitting products to the CAM.*

##### **TASK 2: MARKET ASSESSMENT**

The goal of this task is to describe the current DHE market in California, based on available DHE models, DHE installation and repair practices and costs, market barriers, and characteristics of the households where DHE is the primary source of heating.

##### **The Recipient shall:**

- Conduct survey to determine the market of available DHE for purchase in
- Conduct survey to determine the population of households that rely on DHE for their primary heating needs.
- Conduct survey with DHE contractors to determine installation and repair practices and costs.
- Prepare a *Market Assessment of Direct Heating Equipment in California Report*, which will describe the DHE models available for purchase in California, the currently installed stock of DHE in the state (installation and operational characteristics, failures, safety risks, and other issues), and the most common installation and repair practices and costs adopted by DHE-related contractors in the state.
- Prepare a *CPR Report #1* in accordance with subtask 1.3 (CPR Meetings).
- Participate in CPR meeting

##### **Product:**

- Market Assessment of Direct Heating Equipment in California Report (draft and final)
- CPR Report #1

##### **TASK 3: LABORATORY AND FIELD EVALUATION**

The goal of this task is to obtain empirical data on current DHE energy use, size appropriateness, emissions, and indoor air quality and thermal comfort of households where they are used.

##### **The Recipient shall:**

- Select and recruit 12 households currently using DHE to participate in DHE field evaluation.
- Acquire high-efficiency, advanced DHE units to be evaluated.
- Prepare a *Test and Monitoring Plan*, which will describe the test and monitoring activities to be performed during laboratory and field evaluation of DHE.
- Evaluate the high-efficiency DHE units in the Recipient’s laboratory.
- Evaluate low-efficiency DHE currently installed in the households recruited for the field evaluation.
- Exchange the low-efficiency DHE units in the households recruited for the field evaluation with the high-efficiency, advanced DHE units.
- Evaluate the high-efficiency, advanced DHE over a period of 12 months in the households recruited for the field evaluation.



## **EXHIBIT A**

### **Scope of Work**

- Evaluate in the Recipient's laboratory the low-efficiency DHE previously installed in the households recruited for the field evaluation.
- Assess potential improvements in high-efficiency DHE technology and installation practices.
- Prepare the *Laboratory and Field Evaluation of Direct Heating Equipment in California Report*, which will describe the households and equipment selected for field evaluation, the test and monitoring plan, and the results from the laboratory and field evaluations.
- Prepare a *CPR Report #2* in accordance with subtask 1.3 (CPR Meetings).
- Participate in CPR meeting.

#### **Product:**

- Test and Monitoring Plan
- Laboratory and Field Evaluation of Direct Heating Equipment in California Report (draft and final)
- CPR Report #2

#### **TASK 4: POLICY AND PROGRAM MODELING AND ANALYSIS**

The goal of this task is to develop alternative cost-effective strategies that reduce the statewide levels of natural gas consumption from DHE and to provide estimates of environmental and indoor air quality benefits after large-scale market penetration.

#### **The Recipient shall:**

- Develop a sample of households heated by DHE to support modeling and analysis.
- Identify and specify strategies, such as building codes and market incentives, to reduce natural gas use of DHE, with special emphasis on—but not limited to—households in low-income and disadvantaged communities.
- Perform life-cycle energy cost and savings analysis at household level for alternative strategies.
- Estimate number of shipments and cost to replace existing DHE units for new homes in California.
- Estimate energy, economic, environmental, and health benefits from alternative strategies.
- Prepare the *Cost-Effective Strategies to Reduce Natural Gas Use by Direct Heating Equipment in California with Added Environmental and Indoor Air Quality Benefits Report*, which will:
  - describe the sample used to support the modeling and analysis
  - describe the potential strategies to reduce natural gas use of DHE
  - for each strategy identified, present estimates of:
    - life-cycle energy cost and savings at household level
    - equipment replacement costs
    - statewide shipments
    - reduction in natural gas use and GHG and other air emissions
    - potential indoor air quality benefits
    - potential thermal comfort benefits.
  - propose cost-effective strategies to increase consumer acceptance and regulatory adoption of high efficiency DHE.
- Prepare a CPR Report #3 in accordance with subtask 1.3 (CPR Meetings).

## **EXHIBIT A**

### **Scope of Work**

- Participate in CPR meeting

#### **Product:**

- Cost-Effective Strategies to Reduce Natural Gas Use in Direct Heating Equipment in California with Added Environmental and Indoor Air Quality Benefits Report (draft and final)
- CPR Report #3

#### **TASK 5: EVALUATION OF PROJECT BENEFITS**

The goal of this task is to report the benefits resulting from this project.

#### **The Recipient shall:**

- Complete three Project Benefits Questionnaires that correspond to three main intervals in the Agreement: (1) *Kick-off Meeting Benefits Questionnaire*; (2) *Mid-term Benefits Questionnaire*; and (3) *Final Meeting Benefits Questionnaire*.
- Provide all key assumptions used to estimate projected benefits, including targeted market sector (e.g., population and geographic location), projected market penetration, baseline and projected energy use and cost, operating conditions, and emission reduction calculations. Examples of information that may be requested in the questionnaires include:
  - For Product Development Projects and Project Demonstrations:
    - Published documents, including date, title, and periodical name.
    - Estimated or actual energy and cost savings, and estimated statewide energy savings once market potential has been realized. Identify all assumptions used in the estimates.
    - Greenhouse gas and criteria emissions reductions.
    - Other non-energy benefits such as reliability, public safety, lower operational cost, environmental improvement, indoor environmental quality, and societal benefits.
    - Data on potential job creation, market potential, economic development, and increased state revenue as a result of the project.
    - A discussion of project product downloads from websites, and publications in technical journals.
    - A comparison of project expectations and performance. Discuss whether the goals and objectives of the Agreement have been met and what improvements are needed, if any.
    - Additional Information for Product Development Projects:
      - Outcome of product development efforts, such copyrights and license agreements.
      - Units sold or projected to be sold in California and outside of California.
      - Total annual sales or projected annual sales (in dollars) of products developed under the Agreement.
      - Investment dollars/follow-on private funding as a result of Energy Commission funding.
      - Patent numbers and applications, along with dates and brief descriptions.
    - Additional Information for Product Demonstrations:
      - Outcome of demonstrations and status of technology.
      - Number of similar installations.

## **EXHIBIT A**

### **Scope of Work**

- Jobs created/retained as a result of the Agreement.
- For Information/Tools and Other Research Studies:
  - Outcome of project.
  - Published documents, including date, title, and periodical name.
  - A discussion of policy development. State if the project has been cited in government policy publications or technical journals, or has been used to inform regulatory bodies.
  - The number of website downloads.
  - An estimate of how the project information has affected energy use and cost, or have resulted in other non-energy benefits.
  - An estimate of energy and non-energy benefits.
  - Data on potential job creation, market potential, economic development, and increased state revenue as a result of project.
  - A discussion of project product downloads from websites, and publications in technical journals.
  - A comparison of project expectations and performance. Discuss whether the goals and objectives of the Agreement have been met and what improvements are needed, if any.
- Respond to CAM questions regarding responses to the questionnaires.

The Energy Commission may send the Recipient similar questionnaires after the Agreement term ends. Responses to these questionnaires will be voluntary.

#### **Products:**

- Kick-off Meeting Benefits Questionnaire
- Mid-term Benefits Questionnaire
- Final Meeting Benefits Questionnaire

#### **TASK 6: TECHNOLOGY/KNOWLEDGE TRANSFER ACTIVITIES**

The goal of this task is to develop a plan to make the knowledge gained, experimental results, and lessons learned available to the public and key decision makers.

#### **The Recipient shall:**

- Prepare an *Initial Fact Sheet* at start of the project that describes the project. Use the format provided by the CAM.
- Prepare a *Final Project Fact Sheet* at the project's conclusion that discusses results. Use the format provided by the CAM.
- Prepare a *Technology/Knowledge Transfer Plan* that includes:
  - An explanation of how the knowledge gained from the project will be made available to the public, including the targeted market sector and potential outreach to end users, utilities, regulatory agencies, and others.
  - A description of the intended use(s) for and users of the project results.
  - Published documents, including date, title, and periodical name.
  - Copies of documents, fact sheets, journal articles, press releases, and other documents prepared for public dissemination. These documents must include the Legal Notice required in the terms and conditions. Indicate where and when the

## **EXHIBIT A**

### **Scope of Work**

documents were disseminated.

- A discussion of policy development. State if project has been or will be cited in government policy publications, or used to inform regulatory bodies.
- The number of website downloads or public requests for project results.
- Additional areas as determined by the CAM.
- Conduct technology transfer activities in accordance with the Technology/Knowledge Transfer Plan. These activities will be reported in the Progress Reports.
- When directed by the CAM, develop *Presentation Materials* for an Energy Commission-sponsored conference/workshop(s) on the project.
- When directed by the CAM, participate in annual EPIC symposium(s) sponsored by the California Energy Commission.
- Provide at least (6) six *High Quality Digital Photographs* (minimum resolution of 1300x500 pixels in landscape ratio) of pre and post technology installation at the project sites or related project photographs.
- Prepare a *Technology/Knowledge Transfer Report* on technology transfer activities conducted during the project.

#### **Products:**

- Initial Fact Sheet (draft and final)
- Final Project Fact Sheet (draft and final)
- Presentation Materials (draft and final)
- High Quality Digital Photographs
- Technology/Knowledge Transfer Plan (draft and final)
- Technology/Knowledge Transfer Report (draft and final)

## **V. PROJECT SCHEDULE**

Please see the attached Excel spreadsheet.

STATE OF CALIFORNIA

STATE ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION - RE: U.S. DOE-LAWRENCE BERKELEY NATIONAL LABORATORY

**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 PIR-18-006 with the U.S. Department of Energy's Lawrence Berkeley National Laboratory for a \$2,000,000 grant to develop cost-effective strategies to reduce natural gas use and environmental impacts of residential duct-less direct heating equipment, and adopting staff's determination that this action is exempt from CEQA; 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 June 12, 2019.

AYE: [List of Commissioners]

NAY: [List of Commissioners]

ABSENT: [List of Commissioners]

ABSTAIN: [List of Commissioners]

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Cody Goldthrite,  
Secretariat