

GFO-19-601

**Low-Carbon Fuel Production Program (LCFPP)
Pre-Application Workshop**

Fuels and Transportation Division



Pilar Magana
Taiying Zhang
September 10, 2019
California Energy Commission





Agenda

Time	Topic
10:00 a.m.	Welcome and Introductions <ul style="list-style-type: none">• Housekeeping• Commitment to Diversity
10: 15 a.m.	Solicitation Information <ul style="list-style-type: none">• Program background and solicitation purpose• Eligible applicants, projects, and project costs• Application format, required documents, and delivery• Evaluation process and criteria
11: 00 a.m.	QM Tool (CARB), Questions and Answers
12:00 p.m.	Adjourn



Housekeeping



- Housekeeping/Logistics
 - Emergency Procedures
 - Restrooms
- WebEx Participants
- Sign-in sheet / Business card sheet
- Updates on solicitation documents including this presentation will be posted on the Grant Funding Opportunity webpage





Commitment to Diversity



The Energy Commission adopted a resolution strengthening its commitment to diversity in our funding programs. We continue to encourage disadvantaged and underrepresented businesses and communities to engage in and benefit from our many programs. To meet this commitment, Energy Commission staff conducts outreach efforts and activities to:

- Engage with disadvantaged and underrepresented groups throughout the state.
- Notify potential new applicants about the Energy Commission's funding opportunities.
- Assist applicants in understanding how to apply for funding from the Energy Commission's programs.
- Survey participants to measure progress in diversity outreach efforts.



We Want to Hear From You!



Diversity Survey

- The information supplied will be used for public reporting purposes to display anonymous overall attendance of diverse groups.
- In-person participants, please use the tablet being passed around the room.
- WebEx participants, please use the link in the WebEx chat box. (<https://www.surveymonkey.com/r/R3ZPKLH>)

Thank you for your time!



Solicitation Information



- Program background and solicitation objectives
- Eligible applicants, projects, and project costs
- Application format, required documents, and delivery
- Evaluation process and criteria



Program Background

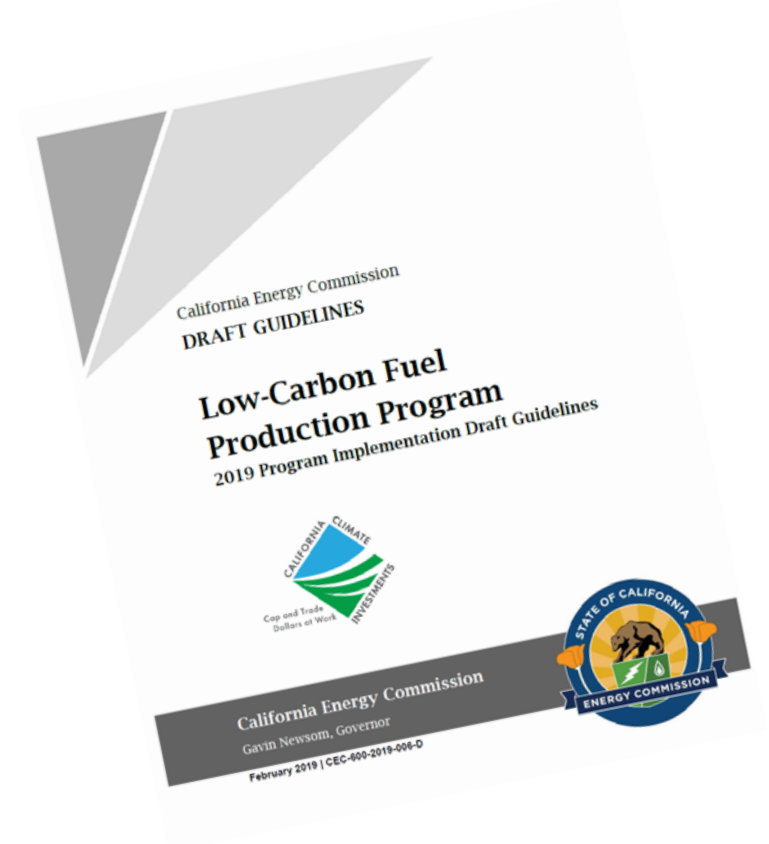
- The Low Carbon Fuel Production Program (LCFPP) was established by Budget Act of 2018, as amended by Senate Bill 856.
- Funding is provided through the Cap and Trade Program (Greenhouse Gas Reduction Fund) and administered through California Climate Investments.
- Purpose: GHG emissions reduction, co-benefits, and considers priority populations as defined by SB 535 (2012) and AB 1550 (2016).



2019 Program Implementation Guidelines



- Developed through workshops and public comments.
- Provides program structure and general eligibility.
- Solicitations falls within structure of Guidelines.
- Formally adopted by the Energy Commission on July 15, 2019.



The guidelines are available at LCFPP Main webpage:

<https://www.energy.ca.gov/programs-and-topics/programs/low-carbon-fuel-production-program/>



Solicitation Objectives

- Reduce greenhouse gas (GHG) emissions
 - Support new or expanded renewable ultra-low-carbon transportation fuel production projects
 - Support the use of underutilized feedstocks
- Benefit disadvantaged communities and provide meaningful co-benefits to priority populations as defined by SB 535 and AB 1550
- Displace fossil fuels



Funding Levels



- Maximum total funding: \$12.5 million
- Maximum single award: \$5 million
- Awarded through competitive grant solicitation



Key Dates



Key Activities	Date
Solicitation release	August 28, 2019
Pre-application Workshop	September 10, 2019
Deadline for Written Questions	September 10, 2019 at 5:00 p.m.
Anticipated Distribution of Questions/Answers and Addenda (if any) to solicitation	Week of September 23, 2019
Pre-Application Abstract Due by 5:00 p.m.*	October 2, 2019
Anticipated Posting of Pre-Application Abstract Results	October 24, 2019



Key Dates, continued



Key Activities	Date
Deadline for Written Questions*	November 1, 2019 at 5:00 p.m.
Anticipated Distribution of Questions/Answers and Addenda (if any) to solicitation	Week of November 18, 2019
Deadline to Submit Full Applications by 5:00 p.m.*	December 3, 2019
Anticipated Notice of Proposed Awards Posting	January 15, 2020
Anticipated Energy Commission Business Meeting	April 2020
Encumbrance Deadline	June 30, 2020



Eligibility Requirements



- All public and private entities.
- Business presence in California.
- All low-carbon fuel production plants and existing biorefineries must be in California.
- Projects must reduce GHG emissions by producing on-road transportation fuel using eligible feedstock.



Eligibility Requirements, continued



- New or expanded renewable ultra-low-carbon transportation fuel (30 gCO₂e/MJ or less) production at advanced fuel production plants.
- Minimum production 1 million DGE per year.
- Uses an eligible feedstock.



Eligible Feedstock



- Must be organic material.
- Not derived from fossil fuels or inorganic greenhouse gases.
- Including, but not limited to:
 - Pre-landfilled waste-based biomass
 - Alternative purpose-grown crops
 - Agricultural residues
 - Biocrude
 - Woody biomass and forest residues
 - Animal manures
 - Food waste
 - The organic portion of municipal solid waste
- Landfill gas is NOT eligible.



Eligible Feedstock, continued



- Eligible renewable hydrogen sources include:
 - Biomethane or biogas such as:
 - Biomass digester gas
 - Sewer (wastewater) gas
 - Municipal solid waste gas from pre-landfilled material
 - Other waste fuels
 - Eligible renewable electricity



Eligible Feedstock, continued



- Eligible renewable electricity sources include:
 - Fuel cells using eligible renewable feedstocks
 - Geothermal
 - Small hydroelectric (30 megawatts or less)
 - Ocean wave, ocean thermal, tidal current
 - Photovoltaics (PV), solar thermal
 - Biomass digester gas
 - Municipal solid waste conversion (non-combustion thermal process)
 - Wind
 - Outlined in Section 25741(a)(1) of the California Public Resources Code, **excluding landfill gas**



Eligible Project Costs



- Facility pre-engineering and design
- Engineering plans and specifications
- Building and facility construction and/or modifications
- Asset and/or equipment acquisitions
- Feedstock development activities

(...complete list on Page 12)



Match Funding Requirements

(pg. 13-14)



- Minimum of 50% match share of the total allowable project costs.
- Applicants that do not meet the minimum match share requirement will be disqualified.



Cash Match Share Requirement

(pg. 14-15)



- Match share funding must include a minimum ***cash*** contribution equal to at least 50 percent of Energy Commission funding.
- Cash match means the net of any funds actually expended by the applicant for the project.
- Examples of match which are *not* cash contributions include:
 - Donated or loaned labor hours
 - Existing equipment, vehicles, facilities, land, inventory, other property, and fixed assets
 - Cash or non-cash contributions provided by a subcontractor or third party



Applicant Performance

(pg. 16)



- An applicant's performance, if any, under an existing or prior Energy Commission agreement will be considered as part of an applicant's score in the Project Team Qualifications criterion.
- In addition, the Energy Commission reserves the right to cancel an agreement awarded under this solicitation due to poor performance by Applicant under an existing Energy Commission agreement.



Agreement Execution

(pg. 17)



- Grant agreement must be signed **within 60 days** after approval of the award at an Energy Commission business meeting.
- All subcontracts must be approved and signed **within 90 days** of the executed agreement.



CEQA (pg. 17-18)



- Projects recommended for funding must submit all CEQA documentation, including determination made by lead agency as soon as possible and **no later than 30 calendar days after the NOPA is posted.**
- The Energy Commission reserves the right to cancel proposed awards that do not meet this CEQA compliance deadline.
- Encumbrance Deadline: **June 30, 2020**



Quantification Methodology



- Developed by CARB to estimate GHG emission reductions and other co-benefits from LCFPP projects.
- LCFPP quantification methodology tool can be found at:

www.arb.ca.gov/cci-quantification



Quantification Methodology, continued



Clean Energy and Energy Efficiency				
Agency	Project Type	Quantification Methodology (QM) and Calculator Tool	Priority Population Benefit Criteria Table	Reporting Template
California Energy Commission	Industrial Energy Efficiency, Food Production Advanced Technology	Food Production Investment Program QM Calculator Tool	Energy Efficiency and Renewable Energy	Food Production Energy Efficiency
	Low Carbon Fuel Production	Low Carbon Fuel Production QM Calculator Tool	Clean Transportation and Equipment Sustainable Transportation Benefit Criteria Table	Draft Coming Soon
	Renewable Energy for Agriculture Program	Renewable Energy for Agriculture QM Calculator Tool	Energy Efficiency and Renewable Energy	Agricultural Renewables and Energy Efficiency



Benefits to Priority Populations



- Goal of 25% of funds to projects located within and benefitting disadvantaged communities (CalEnviroScreen 3.0 model): <http://calepa.ca.gov/EnvJustice/GHGInvest/>
- Goal of 5% of funds to projects within and benefitting AB 1550 low-income communities (at or below 80% statewide median income)
- Goal of 5% of funds to projects located within and benefiting AB 1550 low-income communities within a half-mile of a disadvantaged community



Benefits to Priority Populations, continued



- Map to determine whether your project falls in one of these areas:
[https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/lowincomem
apfull.htm](https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/lowincomemem
apfull.htm)
- CARB Funding Guidelines:
[https://ww3.arb.ca.gov/cc/capandtrade/auctionproceeds/2018-
funding-guidelines.pdf?_ga=2.19876923.2038246220.1567529270-
407710402.1547147343](https://ww3.arb.ca.gov/cc/capandtrade/auctionproceeds/2018-
funding-guidelines.pdf?_ga=2.19876923.2038246220.1567529270-
407710402.1547147343)
- Priority Population Benefits Criteria Table for LCFPP:
[https://ww3.arb.ca.gov/cc/capandtrade/auctionproceeds/ccidoc/criteri
atable/criteria-table-
cte.pdf?_ga=2.221018704.955192106.1567170595-
1305368042.1567170595](https://ww3.arb.ca.gov/cc/capandtrade/auctionproceeds/ccidoc/criteri
atable/criteria-table-
cte.pdf?_ga=2.221018704.955192106.1567170595-
1305368042.1567170595)



Two-Phase Process: Application Forms



- Pre-Application Abstract Form (Attachment 1A)
- Full Application Form (Attachment 1B)
 - Expanded fields, subcontractors, carbon intensity
 - Added fields for Permitting Plans, Production Plan, Feedstock Supplier, Fuel Off-taker, Project's Match Funder, Biofuel Production Technology.



Two-Phase Evaluation Process



- **Pre-Application Abstract Technical Evaluation**
 - Limited to 3 page project abstract
 - Confidential materials not accepted
 - To pass, abstracts must receive a 70% score or higher on each Pre-Application Abstract evaluation criterion.
 - Project Summary
 - Project Readiness and Implementation Schedule
 - Project Benefits and Cost Effectiveness
- **Full Application Screening and Evaluation:**
 - *Full proposals must be consistent with previously submitted and passing pre-proposal abstract.*



Pre-Application Abstract Process and Criteria



Administrative Screening Criteria (pg. 26)

PRE-APPLICATION ADMINISTRATIVE SCREENING CRITERIA

The pre-application abstract must pass ALL administrative screening criteria.

1. The pre-application is received by the Energy Commission's Contracts, Grants, and Loans Office by the due date and time specified in the "Key Activities Schedule" in Section I of this solicitation.
2. The applicant provides the required signatures, authorizations, and certifications.
3. The applicant has not included a statement that is contrary to the required authorizations and certifications.



Pre-Application Abstract Process and Criteria, continued



Technical Screening Criteria (pg. 27)

TECHNICAL SCREENING CRITERIA
The Pre-Application must pass ALL technical screening criteria.
1. Applicant is eligible to apply under this solicitation.
2. Proposed project is eligible in accordance with this solicitation.
3. Proposed project meets the minimum match share requirement of 50%.
4. Applicant has provided a Pre-Application Abstract Form and a Pre-Application Abstract.



Pre-Application Abstract Process and Criteria, continued



Pre-Application Evaluation Criteria (pg. 29-30)

Pre-Application Abstract Evaluation Criteria	
Project Summary	20
Project Readiness and Implementation Schedule	20
Project Benefits and Cost Effectiveness	20
Total Possible Points	60



Pre-Application Abstract Due Dates



Pre-Application Abstract Submission Due Date	October 2, 2019 by 5 p.m.
Anticipated Posting of Pre-Application Abstract Results	October 24, 2019



Full Application Format (pg. 31-48)



- Only those projects that received a pre-application abstract passing score are eligible to submit a full application.
- Format:
 - Limited to 30 pages
 - Attachments do not count against page number limit
 - Confidential Information, clearly-labeled and separated
 - Full application organization, p. 33-34



Full Application Evaluation Process



- Administrative Screening: pass/fail
- Technical Evaluation Criteria:
 - Project Team Qualifications
 - Business Plan
 - Project Readiness and Implementation
 - Project Budget and Cost-Effectiveness
 - Project Benefits and Co-benefits
 - Priority Population Considerations



Full Application Administrative Screening Criteria



(pg.49)

FULL APPLICATION ADMINISTRATIVE SCREENING CRITERIA

The full application must pass ALL full application administrative screening criteria.

1. The full application is received by the Energy Commission's Contracts, Grants, and Loans Office by the due date and time specified in the "Key Activities Schedule" in Section I of this solicitation.
2. The Full Application Form (Attachment 1B) is complete and is signed by the applicant's authorized representative. The applicant provides the required authorizations and certifications.
3. The applicant has not included a statement that is contrary to the required authorizations and certifications.
4. The full application does not contain confidential information or any portion marked confidential, except for Technology Information submitted in accordance with Section VI.D, separated and clearly labeled as confidential.



Full Application Technical Screening Criteria (pg. 50)



TECHNICAL SCREENING CRITERIA

The full application must pass ALL technical screening criteria.

1. Applicant is eligible to apply under this solicitation.
2. Proposed project is eligible in accordance with this solicitation.
3. Proposed project meets the minimum match share requirement of 50%.
4. The full application is based on and consistent with a Pre-Application Abstract receiving a passing score under this solicitation.



Full Application Evaluation Criteria (pg. 49-52)



Evaluation Criteria	Points
Project Team Qualifications	30
Business Plan (Technology Plan, Marketing Plan, and Financial Plan)	90 (30 each)
Project Readiness and Implementation	60
Project Benefits and Co-Benefits	60
Project Budget and Cost Effectiveness	60
(Preference) Priority Population Considerations	15
TOTAL POSSIBLE POINTS:	315



Full Application Technical Evaluation



- The score for each criterion will be the average of the scores of evaluation committee members.
- Minimum score of 70 percent (63 points) is required for the Business Plan evaluation criterion.
- Minimum score of 70 percent (42 points) is required for the Project Readiness and Implementation evaluation criterion.
- Minimum score of 70 percent (210 points) in total score is required for the application to be eligible for funding.



Full Application Preference Points



Priority Population Considerations	Preference Points
a. The project will be located within the boundaries of, and benefitting individuals living in, communities described in Cal. Health & Safety Code § 39711.	10
b. The project will benefit low-income households or be located within the boundaries of, and benefit individuals living in, low-income communities located anywhere in the state.	5
c. The project will benefit low-income households that are outside of, but within one-half mile of, communities described in § 39711, or be located within the boundaries of, and benefit individuals living, in low-income communities that are outside of, but within one-half mile of, communities described in § 39711.	5



Full Application Preference Points, continued



- Applicants must meet the minimum passing score to be eligible for additional points.
- Applicants may only receive a maximum of 15 bonus points.
 - Single category; or
 - Categories a and b; or
 - Categories b and c.



Full Application Evaluation Criteria



- Applicants should ensure applications:
 - Fully and clearly address each criterion, including all sub-bullets within each criterion.
 - Carefully organize information to facilitate review and evaluation.
 - Include all assumptions and calculations utilized (as applicable).



Submittal Process (pg. 31)



- Online
 - <https://gss.energy.ca.gov/>
 - Attachments requiring signatures **must be scanned and uploaded in PDF format.**
- Hard Copy
 - One hard copy
 - One electronic copy (CD-ROM or USB memory stick)
- Documents should either be all submitted online or all hardcopy. Do not submit part of your application online and part of it in hardcopy.



Grant Solicitation System (GSS)



- GSS Help Page-PDF:
https://www.energy.ca.gov/sites/default/files/2019-09/Grant_Solicitation_System_Help.pdf
- How to Apply (YouTube Video):
<https://www.youtube.com/watch?v=nxrdS3KHSAA&feature=youtu.be>
- How to Apply (PowerPoint):
https://www.energy.ca.gov/sites/default/files/2019-05/GSS_How_to_Apply.pptx



Online Application Process



- The online application system will contain two separate submission dates.
- When logging in for the Pre-Application Phase, applicants will only see the deadline/option for the pre-application.



Confidentiality



- All materials submitted will be treated as confidential until the NOPA is posted.
- Only parts of the application clearly marked and meeting the confidentiality provisions of the solicitation will remain confidential.



Confidential Material



- Sections of the Business Plan may be provided as confidential information:
 - Corporate financial records
 - Technology trade secrets
 - Price components of feedstock purchase agreements and off-take agreements
- **Confidential material must be submitted as a separate, clearly-labeled volume of the application.**



Full Application Due Dates



Full Application Submission Due Date	December 3, 2019 by 5 p.m.
Anticipated Posting of Notice of Proposed Awards	January 15, 2019



Solicitation Resources



Electronic copies, Addendums, Q&A, and NOPAR/NOPA results.

- <https://www.energy.ca.gov/solicitations/2019-08/gfo-19-601-low-carbon-fuel-production-program>
- Listserv for update: lowcarbonfuels



Q & A



- Questions and comments are accepted in person or by email to the Commission Agreement Officer.
 - Accepting written questions until **September 10, 2019 at 5:00 p.m.**
- Please identify yourself in all correspondence.
- Anticipated distribution of Q&A:
 - Week of September 23, 2019.



Contact Information



Please send questions and comments to:

GFO-19-601

Kevyn Piper, Commission Agreement Officer

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Questions?





The End



Thank you and good luck!