**GRANT FUNDING OPPORTUNITY**

**Food Production Investment Program**





**GFO-19-901**

<http://www.energy.ca.gov/contracts/index.html>

**State of California**

**California Energy Commission**

August 2019

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| 5 | CEQA Compliance Form  |
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###

# I. Introduction

**NOTE: This solicitation is for the Food Production Investment Program and the solicitation documents are different and unique. Please do not use attachments from other Energy Commission grant solicitations (i.e. EPIC and PIER NG research programs).**

## Purpose of Solicitation

Food production costs generally tend to be higher in California than elsewhere and California’s food processing industry faces stiff out-of-state and international competition.

Providing support for updating and improving food production facilities with energy efficient and/or renewable energy technologies will reduce operating costs and greenhouse gas (GHG) emissions. This could help ensure California’s food processing industries remain competitive and operational, and the jobs associated with food production remain in California.

The California Energy Commission (Energy Commission) established the Food Production Investment Program (FPIP) in 2018, initially funded by Assembly Bill (AB) 109 (Ting, Chapter 249, Statutes of 2017), with additional funds from Senate Bill (SB) 856 (Chapter 30, Statutes of 2018). Funding for the program comes from the California Climate Investments (CCI) program. The CCI program requires that all funded projects reduce GHG emissions and further the purposes of AB 32 (AB 32, Nunez, Global Warming Solutions Act of 2006, Chapter 488, 2006) and SB 32 (SB 32, Pavley, California Global Warming Solutions Act of 2006, Chapter 249, 2016).

The goals of the program are to accelerate the adoption of advanced energy efficiency and renewable energy technologies at California food processing plants, demonstrate their reliability and effectiveness, help California food processors work towards a low carbon future, and benefit priority populations. The technologies to be funded by this Grant Funding Opportunity (GFO) will help reduce energy costs, maintain product quantity and quality, and reduce GHG emissions associated with food production.

The FPIP is open to all California food processors. **All projects funded under FPIP must reduce GHG emissions and further the purposes of AB 32 and SB 32 and must be located at a food processing plant in California.**

The FPIP will assist California food producers to achieve the following in their facilities:

* **Modernization:** Support adoption of commercially available, energy efficient equipment upgrades that are “drop-in ready” replacements or additions to existing equipment or processes that provide greater GHG emission reductions than current best practices or industry standard equipment.
* **Driving the Future:** Support adoption and demonstration of emerging technologies needed to achieve major GHG emission reductions necessary to accelerate the food processing industry into a low carbon future.

This solicitation is consistent with the FPIP Guidelines (Guidelines) that were adopted by the Energy Commission on May 9, 2018 and updated on July 15, 2019. The Guidelines provide details on how the Energy Commission will administer the FPIP and includes information on program design, project selection, administrative requirements, project tracking and metrics, and reporting. These Guidelines can be downloaded at:

<http://www.energy.ca.gov/research/fpip/documents/>.

## Key Words/Terms

| **Word/Term** | **Definition** |
| --- | --- |
| AB | Assembly Bill |
| Applicant | The food processor that submits an application to this solicitation |
| Application | An applicant’s written response to this solicitation |
| California Based Vendors | A vendor that has the equipment manufactured or has a distribution center in California |
| CAM | Commission Agreement Manager |
| Capped Entity | These are facilities that annually emit more than 25,000 metric tons of CO2e. For recent list, refer to Cap and Trade Program, Vintage Allowance Allocation.  |
| CAO | Commission Agreement Officer |
| CARB | California Air Resources Board |
| CCI | California Climate Investments: An umbrella term and associated logo developed for the purpose of communication with funding recipients and the general public to identify programs or projects funded in whole or in part by the GGRF. For information, visit: [www.caclimateinvestments.ca.gov](http://www.caclimateinvestments.ca.gov) |
| CEQA | California Environmental Quality Act, California Public Resources Code Section 21000 et seq. |
| CO2e | Carbon dioxide equivalent |
| Disadvantaged Community | Areas that are disproportionately affected by multiple types of pollution and areas with vulnerable populations. Per SB 535, CalEPA is responsible for identifying disadvantaged communities for the purpose of California Climate Investments. For additional information, please refer to: [www.calepa.ca.gov/EnvJustice/GHGInvest](http://www.calepa.ca.gov/EnvJustice/GHGInvest)  |
| Energy Commission or just Commission | State Energy Resources Conservation and Development Commission or as commonly called, the California Energy Commission |
| Entity | The legal name of the owner of the food production plant(s) where the grant-funded technologies will be installed |
| FPIP | Food Production Investment Program |
| Fuel Switching | Involves shifting from fossil fuels to a lower carbon alternative |
| GFO | Grant Funding Opportunity |
| GGRF | Greenhouse Gas Reduction Fund |
| GHG | Greenhouse gas |
| Grant Recipient | Those that receive an award under the FPIP |
| Guidelines | Food Production Investment Program Guidelines explains how the California Energy Commission’s program will be administered and outlines terms and definitions. This document can be downloaded at: <https://ww2.energy.ca.gov/research/fpip/documents/> |
| GWP | Global Warming Potential |
| IOU | Investor Owned Utility |
| LLC | Limited Liability Corporation |
| LLP | Limited Liability Partnership |
| LP | Limited Partnership |
| M&V | Measurement and verification |
| Mandatory Reporting | Reporting of greenhouse gas (GHG) emissions by major sources is required by the California Global Warming Solutions Act of 2006 (AB 32). The Regulation for the [Mandatory Reporting of Greenhouse Gas Emissions](https://ww2.arb.ca.gov/our-work/programs/mandatory-greenhouse-gas-emissions-reporting/regulation) (MRR) is applicable to electricity generators, industrial facilities, fuel suppliers, and electricity importers. The MRR programrequires annual reporting of GHGs from sources that emit greater than 10,000 metric tons of CO2e. For more information, visit: <https://ww2.arb.ca.gov/mrr-data> |
| Microgrid | A group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that act as a single controllable entity with respect to the grid. Additionally, a microgrid can connect and disconnect from the grid to enable it to operate in both grid-connected or island-mode. Finally, microgrids can also manage customer critical resources and provide the customers, utilities and grid system operators different levels of critical services and support as needed. |
| NAICS | North American Industry Classification System. This is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. Eligibility for FPIP is limited to food processing facilities defined by NAICs codes 311 and 3121 |
| NOPA | Notice of Proposed Award, a public notice by the Energy Commission that identifies award recipients |
| Plant | The food production facility |
| POU | Publicly Owned Utility |
| Priority Populations | Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550 |
| Project | A technology or a portfolio of technologies installed in one or more food processing plants that is contained in a grant application |
| Recipient | An entity receiving an award under this solicitation |
| SB | Senate Bill |
| State | State of California |
| Solicitation | This entire document, including all attachments, exhibits, any addendum and written notices and questions and answers. (“Solicitation” may be used interchangeably with “Grant Funding Opportunity”) |
| Tier | The specific funding groups described in this solicitation |
| Waste Heat | *Waste Heat* refers to heat which is present downstream of an industrial process, and is typically vented into the atmosphere and wasted. Sources of waste heat may include heat generated to support thermal processes, heat rejected from mechanical processes, and heat from exothermic chemical processes. |
| Waste Heat to Power | *Waste Heat to Power* refers to systems which capture waste heat and convert it to electricity for on-site use |

## Applicants’ Admonishment

This solicitation contains application requirements and instructions. Applicants are responsible for **carefully reading** the solicitation, asking appropriate questions in a timely manner, ensuring that all solicitation requirements are met, submitting all required responses in a complete manner by the required date and time, and **carefully rereading** the solicitation before submitting an application. In particular, please carefully read the **Screening/Scoring Criteria and** **Grounds for Rejection** in Part IV, and the relevant FPIP terms and conditions located at: <http://www.energy.ca.gov/research/contractors.html>.

Applicants are responsible for the cost of developing applications. This cost cannot be charged to the State. All submitted documents will become publicly available records upon the posting of the Notice of Proposed Award.

## additional requirements

1. Time is of the essence. Funds available under this solicitation have encumbrance deadlines as early as June 30, 2020.  This means that the Energy Commission must approve proposed awards at a business meeting (usually held monthly) prior to June 30, 2020 in order to avoid expiration of the funds. Prior to approval and encumbrance, the Energy Commission must comply with the California Environmental Quality Act (CEQA). To comply with CEQA, the Energy Commission must have CEQA-related information from applicants and sometimes other entities, such as local governments, in a timely manner. Unfortunately, even with this information, the Energy Commission may not be able to complete its CEQA review prior to the encumbrance deadline for every project. For example, if a project requires an Environmental Impact Report, the process to complete it can take many months. For these reasons, it is critical that applicants organize project proposals in a manner that minimizes the time required for the Energy Commission to comply with CEQA and provide all CEQA-related information to the Energy Commission in a timely manner such that the Energy Commission is able to complete its review in time for it to meet its encumbrance deadline.
2. Reservation of right to cancel proposed award. In addition to any other right reserved to it under this solicitation or that it otherwise has, if the Energy Commission determines, in its sole and absolute discretion, that the CEQA review associated with a proposed project would not likely be completed prior to the encumbrance deadline referenced above, and that the Energy Commission’s ability to meet its encumbrance deadline may thereby be jeopardized, the Energy Commission may cancel a proposed award and award funds to the next highest scoring applicant, regardless of the originally proposed applicant’s diligence in submitting information and materials for CEQA review. Examples of situations that may arise related to CEQA review include but are not limited to:
* Example 1: If another state agency or local jurisdiction, such as a city or county, has taken the role of lead agency under CEQA, the Energy Commission’s review may be delayed while waiting for a determination from the lead agency.
* Example 2: If the proposed work is part of a larger project for which a detailed environmental analysis has been or will be prepared by another state agency or local jurisdiction, the Energy Commission’s review may be delayed as a result of waiting for a supplemental or initial analysis, respectively, from the other agency.
* Example 3: If the nature of the proposed work is such that a project is not categorically or otherwise exempt from the requirements of CEQA, and an initial study or other detailed environmental analysis appears to be necessary, the Energy Commission’s review, or the lead agency’s review, may take longer than the time available to encumber the funds. If an initial study or environmental impact report has already been completed by another state agency or a local jurisdiction, serving as the lead agency, the applicant must ensure that such an analysis covers the work in the proposed project, or must obtain a revised analysis and determination from the lead agency reviewing the proposed project.
* Example 4: If the proposed project clearly falls under a statutory or categorical exemption, or is project for which another state agency or local jurisdiction has already adopted a CEQA finding that the project will cause no significant effect on the environment, the project will likely have greater success in attaining rapid completion of CEQA requirements.

The above examples are not exhaustive of instances in which the Energy Commission may or may not be able to comply with CEQA within the encumbrance deadline, and are only provided as further clarification for potential applicants. Please plan project proposals accordingly.

## Background

1. **Food Production Investment Program**

The FPIP is funded by the Greenhouse Gas Reduction Fund (GGRF). All GGRF- funded programs must advance AB 32 and SB 32 as the primary program goal and each project must provide real and quantifiable GHG emission reductions. The FPIP will accelerate the adoption of advanced energy efficiency and renewable energy technologies that support achieving the state’s long-term GHG emissions reduction goals, while maximizing other co-benefits. The Energy Commission, in-alignment with GGRF principles, will prioritize investing the funds in projects that achieve the highest GHG reductions, maximize benefits to disadvantaged communities and are necessary to meet the State’s climate goals.

1. **Applicable Laws, Policies, and Background Documents**

A full description of all the energy and climate laws and policies governing FPIP is found in the guidelines (<http://www.energy.ca.gov/research/fpip/documents/>). The major policies that govern FPIP include the following:

* **AB 32, the Global Warming Solutions Act of 2006**

AB 32 created a comprehensive program mandating a reduction in California GHG emissions to 1990 levels by 2020. In implementing AB 32, the California Air Resources Board (CARB) developed a Scoping Plan that describes the approach California will take to reduce GHG emissions, including the Cap-and-Trade Program. CARB must update the plan every five years. Additional information can be found at: <http://www.arb.ca.gov/cc/ab32/ab32.htm>.

* **SB 32**

Requires the CARB to adopt rules and regulations to ensure that statewide GHG emissions are reduced to 40 percent below the 1990 levels by 2030.

* **AB 1550**

AB 1550 (Gomez, Chapter 369, Statutes of 2016) amends existing SB 535 (DeLeon, Chapter 830, Statutes of 2012) to set investment minimums for GGRF projects in and benefiting disadvantaged communities and low-income communities and includes the following requirements:

* + A minimum of 25% of the proceeds to be invested in projects located within and benefitting individuals living in disadvantaged communities;
	+ An additional minimum of 5% be invested in projects located within and benefitting individuals living in low-income communities or benefitting low-income communities statewide; and
	+ An additional minimum of 5% be invested in projects that are located within and benefitting individuals living in low-income communities, or benefitting low-income households that are within one-half mile of a disadvantaged community.

## Funding

1. **Funding Tiers and Phasing of Fund Distribution**

There is up to $74 million available with potential for additional funding. Funding for FPIP will be awarded according to the following tiers in the amounts listed in the table below:

Funding Tiers and Amounts and Minimum Match Required

|  |  |  |  |
| --- | --- | --- | --- |
| **Tier** | **FPIP Funds Available for Awards[[1]](#footnote-2)** | **Award Size** | **Minimum Match Requirement** |
| I | $49 Million | $100,000 - $6 Million | 35% of Eligible Costs |
| II | $25 Million | $2 Million - $8 Million | 15% of Eligible Costs |

* Tier I: Focuses on commercially available, energy efficient equipment upgrades that are drop in replacements or additions to existing equipment or processes that provide greater GHG emission reductions than current best practices or industry standard equipment. Technologies that can be funded under Tier I are described in Section II.
	+ Eligible costs covered by the grant: Equipment, and Measurement and Verification (M&V) of project performance. M&V costs will be reimbursed by the grant only when outside parties are used. Use of in-house staff are not reimbursable.
* Tier II: Focuses on technologies that are emerging and not widely used in California but have been proven elsewhere to reduce GHG emissions. Technologies that can be funded in Tier II are described in Section II. These technologies are not drop in projects as they require design, permitting and CEQA.
	+ Eligible costs covered by the grant: equipment, and subcontractor costs for engineering design and M&V. M&V costs will be reimbursed by the grant only when outside parties are used. Use of in-house staff are not reimbursable.
* **Projects eligible for Tier I are not eligible for Tier II, and vice versa.**
1. **Match Funding Requirement**

Under Tier I, eligible costs for grant funding are limited to the cost of equipment that will result in reductions of GHG emissions and any M&V required for validation of GHG emissions reduction. Tier I projects can receive grants up to 65 percent of the eligible costs and require a 35 percent match of eligible costs from the applicant or other sources as described later in this section.

Eligible costs under Tier II include equipment, required M&V, and engineering/design. Tier II projects can receive grants up to 85 percent of the eligible costs and require a 15 percent match of eligible costs.

**“Match funds”** can include those from the applicant, or other sources.

* “Match funds” do not include: Energy Commission awards, future/contingent awards, or, the cost or value of all non-eligible project costs such as labor, permitting, overhead, etc.
* If the applicant is leveraging or pursuing funding from multiple sources of the GGRF, the applicant must describe all existing or potential GGRF sources in their application materials
* Match funds must be spent only during the agreement term, either before or concurrently with Energy Commission funds. Match funds also must be reported in invoices submitted to the Energy Commission.
* All applicants providing match funds must submit commitment letters that: (1) identify the source(s) of the funds; (2) justify the dollar value claimed; (3) provide an unqualified (i.e., without reservation or limitation) commitment that guarantees the availability of the funds for the project; and (4) provide a strategy for replacing the funds if they are significantly reduced or lost. Please see Attachment 7, Commitment and Support Letter Form. Commitment and support letters must be submitted with the application or by the due date listed in the schedule to be considered.
1. **Change in Funding Amount**

Along with any other rights and remedies available to it, the Energy Commission reserves the right to:

* Increase or decrease the available funding and the minimum/maximum award amounts for each tier described in this section.
* Reallocate funding between any of the tiers.
* Allocate any additional or unawarded funds to passing applications, in rank order.
* Reduce funding to an amount deemed appropriate if the budgeted funds do not provide full funding for agreements. In this event, the Recipient and Commission Agreement Manager will reach agreement on a reduced Scope of Work commensurate with available funding.

## Key Activities Schedule

Key activities, dates, and times for this solicitation and for agreements resulting from this solicitation are presented below. An addendum will be released if the dates change for activities that appear in **bold** in the table below**.**

The Energy Commission will be accepting applications in two rounds. For Round 1, all applications received by the date listed in this section will be evaluated, scored and ranked. **If funds remain at the conclusion of Round 1**, the Energy Commission will release a notice and accept applications for Round 2 by the due date listed in the schedule or another date as indicated in the notice. The purpose of Round 2 is to allow for new proposal submissions or resubmissions in order to fund additional projects should funds remain after Round 1.

The Energy Commission will be accepting applications for both tiers. If funds remain at the conclusion of the solicitation, or if additional funds become available, the Energy Commission will release a new future solicitation.

| **ACTIVITY** | **DATE** | **TIME[[2]](#footnote-3)**  |
| --- | --- | --- |
| Solicitation Release | 8/27/2019 |  |
| **First Pre-Application Workshop – Sacramento** | **9/5/2019** | **10:00 am** |
| **Second Pre-Application Workshop – Fresno** | **9/10/2019** | **10:00 am** |
| Deadline for Written Questions[[3]](#footnote-4) | 9/13/2019 | 5:00 pm |
| Anticipated Distribution of Questions and Answers | Week of **9/30/2019** |  |
| **Round 1** |  |  |
| **Deadline to Submit Applications** | 11/20/2019 | **5:00 pm** |
| Deadline to Submit Commitment Letter(s) | 12/20/2019 | 5:00 pm |
| Anticipated Notice of Proposed Awards Posting Date | Week of 12/30/2019 |  |
| Anticipated Business Meeting Date | 2/12/2020 |  |
| Anticipated Agreement Start Date | 3/23/2020 |  |
| **Round 2**[[4]](#footnote-5) |  |  |
| **Deadline to Submit Applications** | 2/14/2020 | **5:00 pm** |
| Deadline to Submit Commitment Letter(s) | 3/16/2020 | 5:00 pm |
| Anticipated Notice of Proposed Awards Posting Date | Week of 3/16/2020 |  |
| Anticipated Business Meeting Date | 6/10/2020 |  |
| Anticipated Agreement Start Date | 6/30/2020 |  |
| Anticipated Agreement End Date | No later than 3/31/2024 |  |

## Notice of Pre-Application Workshop

Energy Commission staff will hold two Pre-Application Workshop to discuss the solicitation with potential applicants. Participation is optional but encouraged. Applicants may attend the workshops in-person, via the internet (WebEx, see instructions below), or via conference call on the date and at the time and location listed below. Please call (916) 654-4381 or refer to the Energy Commission's website at [www.energy.ca.gov/contracts/index.html](http://www.energy.ca.gov/contracts/index.html) to confirm the date and time.

* **Date and time:** September 5, 2019 at 10:00 a.m.

**Location:** Rosenfeld Hearing Room

 California Energy Commission

1516 9th Street

Sacramento, CA 95814

Wheelchair Accessible

**WebEx Instructions:**

* To join the WebEx meeting, go to <https://energy.webex.com> and enter the meeting number and password below:

**Meeting Number:** 928 749 498

**Meeting Password:** (no password required)

**Topic:** FPIP Pre-Application Workshop: Sacramento

**Date and time:** September 10, 2019 at 10:00 a.m.

**Location:** San Joaquin Valley Air Pollution Control District

 1990 E Gettysburg Ave

Governing Board Room

Fresno, CA 93726

Wheelchair Accessible

(Limited visitors parking at the facility – public parking is available on the south-east corner of the intersection of E Gettysburg Ave and N Blackstone Ave)

**WebEx Instructions:**

* To join the WebEx meeting, go to <https://energy.webex.com> and enter the meeting number and password below:

**Meeting Number:** 924 857 547

**Meeting Password:** (no password required)

**Topic:** FPIP Pre-Application Workshop: Fresno

* To Logon with a Direct Phone Number: After logging into WebEx, a prompt will appear on-screen for a phone number. In the “Number” box, enter your area code and phone number and click “OK” to receive a call for the audio of the meeting. International callers may use the "Country/Region" button to help make their connection.
* To Logon with an Extension Phone Number: After you login, a prompt will ask for your phone number. Select “CANCEL.” Call **1-866-469-3239** (toll-free in the U.S. and Canada). When prompted, enter the meeting number above and the unique Attendee ID number listed in the top left area of the screen after login. International callers may dial in using the “Show all global call-in numbers” link (also in the top left area).

**Telephone Access Only:**

Call **1-866-469-3239** (toll-free in the U.S. and Canada). When prompted, enter the meeting number above. International callers may select their number from

<https://energy.webex.com/energy/globalcallin.php>.

**Technical Support:**

* For assistance with problems or questions about joining or attending the meeting, please call WebEx Technical Support at **1-866-229-3239.** You may also contact Rick Alexander at (916) 651-9852.
* System Requirements: To determine whether your computer is compatible, visit:

 <http://support.webex.com/support/system-requirements.html>.

* Meeting Preparation: The playback of UCF (Universal Communications Format) rich

media files requires appropriate players. Please determine whether the players are installed on your computer by visiting: <https://energy.webex.com/energy/systemdiagnosis.php>.

* If you have a disability and require assistance to participate, please contact Yolanda Rushin by e-mail at Yolanda.Rushin@energy.ca.gov or (916) 654-4310 at least five days in advance.

## Questions

During the solicitation process, direct questions to the Commission Agreement Officer (CAO) listed below:

Angela Hockaday

Commission Agreement Officer

California Energy Commission

1516 Ninth Street, MS-18

Sacramento, California 95814

Telephone: (916) 654-5186

FAX: (916) 654-4423

E-mail: Angela.Hockaday@energy.ca.gov

Applicants may ask questions at the Pre-Application Workshop, and may submit written questions via mail, electronic mail, and by FAX. However, all **technical** questions must be received by the deadline listed in the “Key Activities Schedule” above. Questions received after the deadline may be answered at the Energy Commission's discretion. **Non-technical** questions (e.g., questions concerning application format requirements or attachment instructions) may be submitted to the CAO at any time prior the application deadline.

A question and answer document will be e-mailed to all parties who attended the Pre-Application Workshop and provided their contact information on the sign-in sheet. The questions
and answers will also be posted on the Commission’s website at:

<http://www.energy.ca.gov/contracts/index.html>.

If an applicant discovers a **conflict, discrepancy, omission, or other error** in the solicitation at any time prior to the application deadline, the applicant may notify the Energy Commission in writing and request modification or clarification of the solicitation. The Energy Commission, at its discretion will provide modifications or clarifications by either an addendum to the solicitation or by written notice to all parties who requested the solicitation. At its discretion, the Energy Commission may re-open the question/answer period to provide all applicants the opportunity to seek any further clarification required.

Any verbal communication with an Energy Commission employee concerning this solicitation is not binding on the State and will in no way alter a specification, term, or condition of the solicitation. Therefore, all communication should be directed in writing to the assigned CAO.

# II. Eligibility Requirements

## Applicant Requirements

1. **Eligibility**

**Applicants to the FPIP are limited to food processing facilities located in California.** The applicant must own or operate one or more food processing facilities that is the site where installation of grant funded equipment will occur. For the purpose of the FPIP, food processing facilities are those defined by the North American Industry Classification System (NAICS) codes 311 (Food Manufacturing) and 3121 (Beverage Manufacturing). To be eligible for funding, projects must meet all the following minimum requirements:

1. Applicant must be a food processing facility located in California;
2. Proposed projects must reduce GHG emissions as defined in the grant solicitation; and
3. Applicant must meet all eligibility and other criteria specified in this solicitation.
4. **Terms and Conditions**

Each grant agreement resulting from this solicitation will include terms and conditions that set forth the recipient’s rights and responsibilities. By signing the Application Form (Attachment 1), each applicant agrees to enter into an agreement with the Energy Commission to conduct the proposed project according to the terms and conditions. All terms and conditions are located at <http://www.energy.ca.gov/research/contractors.html>.

Failure to agree to the terms and conditions by taking actions such as failing to sign the Application Form or indicating that acceptance is based on modification of the terms will result in **rejection** of the application. Applicants **must** **read** the terms and conditions carefully.The Energy Commission reserves the right to modify the terms and conditionsprior to executing grant agreements.

1. **California Secretary of State Registration**

All corporations, limited liability companies (LLCs), limited partnerships (LPs) and limited liability partnerships (LLPs) are required to be registered and in good standing with the California Secretary of State prior to its project being recommended for approval at an Energy Commission Business Meeting. If not currently registered with the California Secretary of State, applicants are encouraged to contact the Secretary of State’s Office as soon as possible to avoid potential delays in beginning the proposed project(s) (should the application be successful). For more information, contact the Secretary of State’s Office via its website at http://www.sos.ca.gov/. Sole proprietors using a fictitious business name must be registered with the appropriate county and provide evidence of registration to the Energy Commission prior to their project being recommended for approval at an Energy Commission Business Meeting.

**4. Priority Populations**

The Energy Commission anticipates 10 percent of the funds will be allocated to projects located within and benefiting priority populations. These expenditures will result in the installation of energy efficiency technologies and/or renewable energy technologies, some of which will be installed in food processing plants located in disadvantaged and/or low-income communities and could result in reduced criteria air pollutant emissions and other benefits.

Preference points will be provided for projects located in and benefiting priority populations as indicated in Section IV, Evaluation and Award Process, (see Section IV.F. Stage Two application scoring for specific technical scoring criteria). Applicants must describe their efforts to determine and meaningfully address common needs in disadvantaged communities and low-income communities. Preference points will be awarded based on whether the project meets the requirements indicated in CARB guidance which is posted at the following: [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification).

Projects claiming to benefit priority populations must be designed to avoid substantial burdens (e.g., displacement of low income, disadvantaged community residents and businesses or increased exposure to toxics or other health risks).

The interactive mapping tool to identify disadvantaged and low-income communities is posted at the following: [www.arb.ca.gov/cci-communityinvestments](http://www.arb.ca.gov/cci-communityinvestments).

## Project Requirements

1. **Project Focus**
	1. **Tier I:**  The focus is installation of commercially available, energy efficient equipment that are drop in replacements/additions to current systems and that can result in greater GHG emission reductions and higher efficiency than current industry standards. Projects can include upgrades or replacement of existing equipment that will result in GHG emissions reduction projects.

**Eligible technologies for Tier I** are limited to the following:

| **Eligible Technology** | **Description[[5]](#footnote-6)** |
| --- | --- |
| Compressor controls and system optimization | Projects involving retrofit or replacement of existing, inefficient air compressors including system optimization and controls. |
| Machine drive controls and upgrades | Projects involving installation of advanced programmable logic controllers to optimize process flows and improve overall production efficiency and throughput used in conjunction with control software systems. |
| Mechanical dewatering | Projects involving retrofit or replacement of existing, inefficient mechanical dewatering systems with high-efficiency systems (e.g., filter presses, centrifuges, membrane-based separation). |
| Advanced motors and controls including variable frequency drives | Projects involving retrofit or replacement of existing, inefficient motor-driven systems (e.g., conveyors, pumps, fans) including variable frequency drive systems and electronically-commutated motors (ECM). |
| Refrigeration system optimization | Projects involving retrofit or replacement of existing refrigeration systems (e.g., floating head pressure controls, leak detection and abatement). Refrigeration system replacement must use low-global warming potential (GWP) refrigerants  |
| Low-GWP Refrigerants | Projects involving replacement of existing, high-GWP refrigeration systems with refrigeration systems that use refrigerants with a GWP of less than 150 (e.g., transcritical CO2 refrigeration systems). |
| Drying equipment | Projects involving retrofit or replacement of existing, inefficient drying equipment including installation of high efficiency drying equipment (e.g., efficient, low-NOx dryers) and use of waste heat streams (.e.g., to preheat, pre-dry, or dry product). |
| Process equipment insulation | Projects involving replacement of existing insulation with advanced, highly efficient insulation (e.g., advanced material insulation, advanced functional coatings for insulation). |
| Boilers, economizers | Projects involving retrofit or replacement of existing, inefficient boilers and economizers including installation of high efficiency, low-NOx boilers and economizers (e.g., efficient, low-NOx condensing boilers, condensing economizers), automatic oxygen trim, automatic burner turndown that follows load, variable speed drives on combustion air fans, and automatic blowdown controls. |
| Steam traps, condensate return, heat recovery | Projects involving installation of steam traps, condensate return, and heat recovery which recycle otherwise wasted thermal energy for reuse in the facility (for heating or cooling). |
| Evaporators | Projects involving retrofit or replacement of existing, inefficient evaporators including installation of high efficiency evaporators (e.g., mechanical vapor recompression evaporators). |
| Internal metering and software to manage and control electricity, natural gas and/or fossil fuel use if part of a larger project that reduces energy usage | Projects involving installation of metering and controls software which reduce energy use. This technology must be paired with one or more other eligible technologies. |
| Waste heat to power | Projects involving installation of waste heat to power systems which capture waste heat and convert it to electricity for on-site use (e.g., pressure reduction turbines, organic Rankine cycles). Refer to Section I.B, Key Words/Terms, for a definition of Waste Heat. |
| **Industrial cooking equipment** | **Projects involving retrofit or replacement of existing, inefficient cooking equipment with high-efficiency cooking equipment which reduce energy use (e.g., efficient, low-NOx baking ovens, fryers).** |

Additional technologies that are added as a result of comments received during the written questions period (see Section I.G., Key Activities Schedule); these technologies must be consistent with the Guidelines. In this case, an addendum will be posted identifying any additions.

* 1. **Tier II:** The focus of Tier II is to fund and demonstrate emerging technologies that are not widely used in California but have been proven elsewhere to reduce GHG emissions. Unlike Tier I, these projects typically require engineering and design and are not drop-in ready replacements for existing equipment.

**Eligible technologies for Tier II** are limited to the following:

| **Eligible Technology** | **Description[[6]](#footnote-7)** |
| --- | --- |
| Solar thermal | Projects involving installation of solar thermal energy systems which provide thermal energy for process heating or cooling loads. |
| Renewable energy generation, including biogas production | Projects involving conversion of on-site waste biomass into biogas and subsequent on-site use for electricity generation and/or processing heating (e.g., anaerobic digester and combined heat and power systems fueled by on-site waste biomass feedstock). |
| Microgrids | Projects involving installation of a microgrid system (e.g., solar photovoltaic system with battery energy storage and a microgrid controller). Refer to Section I.B, Key Words/Terms, for a definition of a Microgrid. |
| Fuel switching | Projects involving replacement of existing fossil-fueled equipment with electric powered equipment (e.g., conversion of natural gas dryers to electric dryers) |

Additional technologies are added as a result of comments received during the written questions period (see Section I.G., Key Activities Schedule); these technologies must be consistent with the Guidelines. In this case, an addendum will be posted identifying any additions.

**Projects eligible for Tier I are not eligible for Tier II, and vice versa**.

1. **Measurement and Verification Plan**

For the purpose of this FPIP application, GHG emissions reductions must be estimated as part of the application process and will need to be verified after installation of the funded equipment. Estimates submitted as part of the application process are not reimbursable by the grant. Once an award is made, the detailed measurement to verify greenhouse gas emission reductions is eligible. The following process will be used during the application process and after project implementation:

* 1. **Baseline information as part of the grant application – Not reimbursable by the grant.** Applicants must first develop an energy baseline for its project based on specific characteristics of the targeted equipment to be retrofitted or replaced, operating conditions at the food processing plant, and other factors. These estimates of baseline energy consumption can be derived from an energy assessment conducted by applicant’s facility staff, private consultants, equipment vendors, and/or others. There are a number of ways in which to conduct an energy assessment of the targeted equipment and the choice of the specific assessment protocol used is left to the applicant but all assumptions and calculation methodologies to justify baseline energy and GHG emissions must be submitted with the application. All targeted equipment and systems for retrofits must reduce GHG emissions through on-site reductions in electricity, natural gas, fossil fuel use and/or through the use of low global warming refrigerants. The Energy Commission will evaluate the estimates and assumptions of GHG emissions reductions and energy savings provided by the applicant in scoring proposals submitted for funding. The scoring criteria will reflect those projects having the most potential to cost-effectively reduce GHG emissions along with other factors such as project cost share and benefits to priority populations. Estimates of GHG emission reductions must use the FPIP Benefits Calculator Tool (Attachment 8A) posted on the CARB website.[[7]](#footnote-8)
	2. **Post grant award – Reimbursable by the grant.** Projects awarded funding will be required to monitor and verify pre- and post-installation energy performance. Applicants may choose their preferred measurement and verification method as long as the method chosen is robust enough to evaluate and validate GHG emissions and energy reductions at the equipment level and the system or facility level. The minimum period of measurement is as follows:
* **Pre-installation:**
	+ Year round and seasonal facilities: 3 months pre-installation on the equipment to be retrofit/replaced.
* **Post-installation:**
	+ Year round facilities: minimum 12 months post-installation on the equipment installed.
	+ Seasonal facilities: two complete seasons with a minimum 6 months post-installation on the equipment installed. For example, if seasonal operation is 3 months, then the plant must collect two 3-month periods of data (such as season 2021 and 2022). If seasonal operation is 6 months, then the plant must collect two 6-month periods of data (such as season 2021 and 2022).

Verification must be provided for pre- and post- equipment installation through actual on-site measurements. Estimates of GHG emission reductions must use the FPIP Benefits Calculator Tool (Attachment 8A) posted on CARB’s website.[[8]](#footnote-9). The Energy Commission grant provides funding to contract with independent third party subcontractors. Self-certification using in-house staff is also acceptable but will not be reimbursable by the grant. The Energy Commission or its consultant reserves the right to conduct an audit of a sample of the projects to verify assumptions and estimates of energy savings and GHG emission reductions.

1. Bundling of Technologies for Multiple Plants and Multiple Applications
* **Tier I: Bundling of technologies and facilities under the same ownership can be included in one application.** The entire bundle of technologies and plants under the same organization will be evaluated as discussed in Section IV.F Criteria 5. Criteria 5 discusses priority consideration for bundling of sites and technologies with a facility that must mandatorily report its emissions to CARB annually.
* **Tier II: Bundling of technologies is allowed within the same plant but no bundling of sites** **is allowed.**
* **Multiple Applications**
	+ Any eligible food processor (see Section II.A.1.) can submit one or more applications for Tier I and Tier II. However, each application must be for a distinct project with no overlap with respect to the tasks described in the Scope of Work, Attachment 3.
	+ The maximum award amount per entity for each funding Round under this solicitation is a total of $14 million with the following limits for each tier:
		- Tier I: $6 million
		- Tier II: $8 million

# III. Application Organization and Submission Instructions

## Application Format, Page Limits, and Number of Copies

The following table summarizes the application formatting and page limit recommendations:

|  |  |
| --- | --- |
| **Format** | * **Font:** 11-point, Arial (excluding Excel spreadsheets, original template headers and footers, and commitment or support letters)
* **Margins:** No less than one inch on all sides (excluding headers and footers)
* **Spacing:** Single spaced, with a blank line between each paragraph
* **Pages:** Numbered and printed double-sided (when determining page limits, each printed side of a page counts as one page)
* **Signatures**: Manual (i.e., not electronic)
* **Labeling:** Tabbed and labeled as required in Sections B and C below
* **Binding:** Original binder clipped; all other copies spiral or comb bound (binders discouraged)
* **File Format:** MS Word version 1997-2003, or version 2007 or later (.doc or .docx format), excluding Excel spreadsheets and commitment or support letters (PDF files are acceptable for the letters)
* **File Storage:** Electronic files of the application must be submitted on a CD-ROM or USB memory stick
 |
| **Page Limits** | **Page limits are as follows:*** + **Project Narrative Form** (Attachment 2): **ten** pages (excluding documentation for CEQA (Attachment 5))
	+ **Commitment and Support Letter Form** (Attachment 7): **two** pages, excluding the cover page
 |
| **Number of Copies of the Application** | For Hard Copy Submittal Only:* **1** hard copy (with signatures)
* **One** electronic copy (on a CD-ROM or USB memory stick)
 |

## Preferred Method For Delivery

The preferred method of delivery for this solicitation is the Energy Commission Grant Solicitation System, available at: <https://gss.energy.ca.gov/>. This online tool allows applicants to submit their electronic documents to the Energy Commission prior to the date and time specified in this solicitation. Electronic files must be in Microsoft Word XP (.doc format) and Excel Office Suite formats unless originally provided in the solicitation in another format.  Attachments requiring signatures may be scanned and submitted in PDF format.  Completed Budget Forms, Attachments 4A and 4B, must be in Excel format.  The system will not allow applications to be submitted after the due date and time.

First time users must register as a new user to access the system. Applicants will receive a confirmation email after all required documents have been successfully uploaded. A tutorial of the system will be provided at the pre-application workshops and you may contact the Commission Agreement Officer identified in the Questions section of the solicitation for more assistance.

## Hard Copy Delivery

An applicant may also deliver a hard copy of an application by:

* U. S. Mail
* In Person
* Courier service

Applications submitted in hard copy must be delivered to the Energy Commission Contracts, Grants and Loans Office according to the schedule in Section I.G. If applications are delivered prior to the due date shown on this schedule, then they can be delivered during normal business hours (8 am – 5 pm) and prior to the date and time specified in this solicitation. Applications received after the specified date and time shown in Section I.G. are considered late and will not be accepted. There are no exceptions to this. Postmark dates of mailing, E-mail and facsimile (FAX) transmissions are not acceptable in whole or in part, under any circumstances. There is no need to submit a hard copy of an application that is submitted through the Grant Solicitation System as it will only cause confusion.

**Number of Copies**

Applicants submitting a hard copy application are only required to submit one paper copy.  Applicants must also submit electronic files of the application on **CD-ROM or USB memory stick** along with the paper submittal.  Electronic files must be in Microsoft Word XP (.doc format) and Excel Office Suite formats.  Completed Budget Forms, Attachments 4A and 4B, must be in Excel format. **Electronic files submitted via e-mail will not be accepted**.

**Packaging and Labeling**

All hard copy applications must be labeled "Grant Funding Opportunity GFO-19-901," and include the title of the application.

Include the following label information on the mailing envelope:

|  |  |
| --- | --- |
| Applicant’s Project Manager Applicant’s NameStreet AddressCity, State, and Zip Code |  |
|  | GFO-19-901Contracts, Grants, and Loans Office, MS-18California Energy Commission1516 Ninth Street, 1st FloorSacramento, California 95814 |

## Application Organization and Content

1. For all hard copy submittals, submit attachments in the order specified below.
2. Label the proposal application cover “Grant Funding Opportunity GFO-18-903” and include: (a) the title of the application; and (b) the applicant’s name.
3. Separate each section of the application by a tab that is labeled only with the tab number and section title indicated below.

|  |  |
| --- | --- |
| **Tab/Attachment Number** | **Title of Section** |
| 1 | Application Form ***(requires signature)*** |
| 2  | Project Narrative |
| 3 *(includes 3A)* | Scope of Work Template and Project Schedule |
| 4 *(A & B)* | Budget Forms |
| 5 | CEQA Compliance Form  |
| 6 | Contact List  |
| 7 | Commitment and Support Letters ***(require signature)*** |
| 8A | FPIP Benefits Calculator Tool |

Below is a description of each required section of the application. Completeness in submitting are the required information requested in each attachment will be factored into the scoring:

1. **Application Form (Attachment 1)**

This form requests basic information about the applicant and the project. The application includes an original form that includes all requested information. The application must be signed by an authorized representative of the applicant’s organization or will be failed as indicated in Section IV.E.

1. **Project Narrative Form (Attachments 2)**

This form will include the majority of the applicant’s responses to the Scoring Criteria in Section IV.

* **Technical Merit and Need**
* **Technical Approach**
* **Impacts and Benefits**
* **Market Potential and Information Sharing**
* **Capped and Uncapped Facilities**
* **Preference Points**
1. **Scope of Work Template (Attachments 3 and 3A)**

Applicants must include a completed Scope of Work for each project, as instructed in the template. The Scope of Work identifies the tasks required to complete the project. It includes a project schedule that lists all products, meetings, and due dates. All work must be scheduled for completion by the anticipated agreement end date specified in the “Key Activities Schedule” in Part I.

Electronicfiles for **Parts I-IV** of the Scope of Work are in **MS Word. Part V** (Project Schedule, Attachment 3A) is in **MS Excel**.

1. **Budget Forms (Attachments 4A & 4B)**

The budget forms are in MS Excel format. Detailed instructions for completing them are included at the beginning of Attachments 4A and 4B.  **Read the instructions before completing the worksheets**. Complete and submit information on **all** budget worksheets. The worksheets are to be completed for all eligible grant and match expenditures. There are separate budget forms for Tier I and II and these include the forms and description as follows:

Tier I:

* Category Budget which is a summary of all eligible expenditures and match.
* Equipment Budget which itemizes the cost for all items purchased and installed as part of the project.
* Subcontractor Budget which itemizes all M&V subcontractor costs. If M&V subcontractor costs exceeds $100,000, a separate budget workbook must be completed. Note: M&V costs will be reimbursed by the grant only when outside parties are used. Use of in-house staff for M&V is not reimbursable.

Tier II

* Category Budget which is a summary of all eligible expenditures and match.
* Equipment Budget which itemizes the cost for all items purchased and installed as part of the project.
* Subcontractor Budget which itemizes all M&V and engineering design subcontractor costs. If M&V and/or engineering design subcontractor costs exceed $100,000 for each, a separate budget workbook must be completed for each as indicated in the budget workbook. Note: M&V and engineering design costs will be reimbursed by the grant only when outside parties are used. Use of in-house staff for these activities are not reimbursable.

The information provided in these budget forms become a part of the final agreement.

1. All project expenditures (match share and reimbursable) must be made within the approved agreement term. Match share requirements are discussed in Part I of this solicitation. The entire term of the agreement and projected equipment and/or rate increases must be considered when preparing the budget.
2. The budget must reflect estimates for **actual** costs to be incurred during the agreement term. The Energy Commission may only approve and reimburse for actual costs that are properly documented in accordance with the grant terms and conditions.
3. If submitting labor and fringe benefits for subcontractor(s) providing M&V (Tiers I or II) and/or engineering design (Tier II only), the proposed rates are considered capped and may not change during the agreement term. The subcontractor will only be reimbursed for **actual** rates up to the rate caps.
4. Applicants must budget for all cost not covered by the grant, such as installation, project management, grant administration, travel, permits and insurance.
5. **Prevailing wage requirement:** Projects that receive an award of public funds from the Energy Commission often involve construction, alteration, demolition, installation, repair or maintenance work over $1,000. For this reason, projects that receive an award of public funds from the Energy Commission are likely to be considered public works under the California Labor Code. See Chapter 1 of Part 7 of Division 2 of the California Labor Code, commencing with Section 1720 and Title 8, California Code of Regulations, Chapter 8, Subchapter 3, commencing with Section 16000.

Projects deemed to be public works require among other things the payment of prevailing wages, which can be significantly higher than non-prevailing wages.

By accepting this grant, Recipient as a material term of this agreement shall be fully responsible for complying with all California public works requirements including but not limited to payment of prevailing wage. Therefore, as a material term of this grant, Recipient must either:

(a) Proceed on the assumption that the project is a public work and ensure that:

1. prevailing wages are paid; and
2. the project budget for labor reflects these prevailing wage requirements; and
3. the project complies with all other requirements of prevailing wage law including but not limited to keeping accurate payroll records, and complying with all working hour requirements and apprenticeship obligations;

or,

(b) Timely obtain a legally binding determination from the Department of Industrial Relations or a court of competent jurisdiction before work begins on the project that the proposed project is not a public work.

1. **California Environmental Quality Act (CEQA) Compliance Form (Attachment 5)**

The Energy Commission requires the information on this form to facilitate its evaluation of proposed activities under CEQA (California Public Resources Code Section 21000 et. seq.), a law that requires state and local agencies in California to assess the potential environmental impacts of their proposed actions. The form will also help applicants to determine CEQA compliance obligations by identifying which proposed activities may be exempt from CEQA and which activities may require additional environmental review. If proposed activities are exempt from CEQA (such as paper studies), the worksheet will help to identify and document this. This form must be completed regardless of whether the proposed activities are considered a “project” under CEQA.

Failure to complete the CEQA process in a timely manner after the Energy Commission’s Notice of Proposed Award may result in the cancellation of a proposed award and allocation of funding to the next highest-scoring project.

1. **Contact List Template** **(Attachment 6)**

The list identifies the names and contact information of the project manager, administrator, accounting officer, and recipient of legal notices.

1. **Commitment and Support Letter Form (Attachment 7)**

A commitment letter commits an entity or individual to providing the funding described in the letter. A support letter details an entity or individual’s support for the project. Commitment and Support Letters that are not submitted by the by the due date listed in the schedule will not be reviewed and counted towards meeting the requirement specified in the solicitation.

* + 1. Commitment Letters (Mandatory and will be used for screening)
* Applicants must submit a **match funding** commitment letter signed by each representative of the entity or individual that is committing to providing match funding. The letter must: (1) identify the source(s) of the funds; and (2) guarantee the availability of the funds for the project. If the match funds are provided by the applicant, a commitment letter from the applicant is needed.
	+ 1. Support Letters (Optional and may be used for scoring)
* Applicants may include support letters from project stakeholders (i.e., an entity or individual that will benefit from or be involved in the project) that: (1) describes the stakeholder’s interest or involvement in the project; (2) indicates the extent to which the project has the support of the relevant industry and/or community based organizations; and (3) describes any support it intends (but does not necessarily commit) to provide for the project.
1. **FPIP Benefits Calculator Tool (Attachment 8A)**

Applicants must fill out the FPIP Benefits Calculator Tool. The tool estimates the GHG emission reductions and selected co-benefits of each proposed project type. The FPIP Benefits Calculator Tool uses methods described in the supporting FPIP Quantification Methodology. CARB and the Energy Commission developed the Quantification Methodology consistent with the guiding principles of California Climate Investments, including ensuring transparency and accountability.[[9]](#footnote-10) **The latest FPIP Benefits Calculator Tool and FPIP Quantification Methodology are available for download at:** [www.arb.ca.gov/cci-resources](http://www.arb.ca.gov/cci-resources).

1. **Documentation of Benefits to Priority Populations**

Proposals will receive preference points for project(s) located within an identified disadvantaged or low-income community and benefiting individuals living within that community, or directly benefiting residents of low-income households. Applicants must describe their efforts to providing direct, meaningful and assured benefits and addresses an important community need using the following evaluation approach (Note: applicants must review the CARB’s guidance at [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification) for any updates to the following list):

* Step 1: Identify the Priority Population(s). Be located within a census tract identified as a disadvantaged community or low-income community, or directly benefit residents of a low-income household. The following web link provides interactive maps to aid in determining geographic eligibility for disadvantaged and low-income communities: [www.arb.ca.gov/cci-communityinvestments](http://www.arb.ca.gov/cci-communityinvestments).
* Step 2: Address a Need. Meaningfully address an important community or household need for the identified priority population(s). The applicant must document the approach for determining community need and the level of engagement and how community input was considered in the project design. An alternative to direct community engagement is to identify individual factors in CalEnviroScreen that most impact a disadvantaged or low-income community, receive documentation of broad support for a proposed project local community based organizations and residents, or select a need from the list of common needs[[10]](#footnote-11) and document broad support from local community based organizations and/or residents.
* Step 3: Provide a Benefit. Identify at least one direct, meaningful, and assured benefit that the project provides to priority populations. Projects must meet at least one of the following benefit criteria[[11]](#footnote-12):
	+ Project provides energy efficiency upgrades to residents of a disadvantaged or low-income community or a low-income household;
	+ Project provides renewable energy and direct energy cost savings to residents of disadvantaged or low-income communities, or low-income households;
	+ Project reduces on-site criteria air pollutant or toxic air contaminant emissions through reduction of fossil fuel consumption via efficiency improvements or electrification;
	+ Project reinvests energy or fuel cost savings that would otherwise be realized by the funding recipient into the same disadvantaged or low-income community, or to low-income households, to provide direct, meaningful, and assured benefits to residents;
	+ Project includes recruitment, agreements, policies, or other approaches that are consistent with federal and state law and result in at least 25 percent of project work hours performed by residents of a disadvantaged or low-income community, or by residents of low-income households;
	+ Project includes recruitment, agreements, policies, or other approaches that are consistent with federal and state law and result in at least 10 percent of project work hours performed by residents of a disadvantaged or low-income community, or by residents of low-income households, participating in job training programs which lead to industry-recognized credentials or certifications

For applications that contain multiple locations, the applicant must address and discuss each of the three steps for each location, along with the amount of Energy Commission funds to be spent in each location.

Preference points will be awarded based on whether all the plants in the application meet all the requirements indicated in CARB guidance which is posted at the following: [www.arb.ca.gov/cci-fundingguidelines](http://www.arb.ca.gov/cci-fundingguidelines). If all plants in the application meet all three steps, then the proposal will obtain preference points. There will be no proration of points if some plants meet the requirement and others do not.

Projects claiming to benefit priority populations must be designed to avoid substantial burdens (e.g., displacement of low income, disadvantaged community residents and businesses or increased exposure to toxics or other health risks).

The interactive mapping tool to identify disadvantaged and low-income communities is posted at the following: [www.arb.ca.gov/cci-communityinvestments](http://www.arb.ca.gov/cci-communityinvestments).

**Note: Priority population needs and benefits criteria is subject to change and the latest versions can be found on the Priority Population Benefits Criteria Table on the CCI Quantification, Benefits, and Reporting Materials webpage at** [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification)**.**

10. **California Based Vendors**

Applicants must describe how the vendors meet the requirements of being a California – based vendor. Preference points will be awarded if some or all equipment selected for installation is purchased from a California—based vendor. The more equipment purchased from California vendors the higher the points. The points will be calculated by using the following formula: (“CEC funds to CA Based Vendors for Equipment” divided by “Total CEC funds for Equipment”) multiplied by “Maximum Points for this criteria” as indicated in Section IV.F., criteria 7.

For example, if the total equipment cost is $1,000,000 and $500,000 is purchased from California vendors, then the points will be 50% of the total points possible for this criterion.

# IV. Evaluation and Award Process

## Application Evaluation

Applications will be evaluated and scored based on responses to the information requested in this solicitation. To evaluate applications, the Energy Commission will organize an Evaluation Committee that consists primarily of Energy Commission staff. The Evaluation Committee may use technical expert reviewers to provide an analysis of applications. Applications will be evaluated in two stages:

1. **Stage One: Application Screening**

The Contracts, Grants, and Loans Office and/or the Evaluation Committee will screen applications for compliance with the Screening Criteria in **Section E** of this Part. **Applications that fail any of the screening criteria will be rejected.**

1. **Stage Two: Application Scoring**

Applications that pass Stage One will be submitted to the Evaluation Committee for review and scoring based on the Scoring Criteria in **Section F** of this Part.

* The scores for each application will be the average of the combined scores of all Evaluation Committee members.
* **A minimum score of 70.00 points for criteria 1-5** is required for the application to be eligible for funding.
* **Clarification Interviews:** The Evaluation Committee may conduct optional in-person or telephone interviews with applicants or request a written clarification through email during the evaluation process to clarify and/or verify information submitted in the application. However, these interviews may not be used to change or add to the content of the original application. Applicants will not be reimbursed for time spent answering clarifying questions.

## Ranking, Notice of Proposed Award, and Agreement Development

1. **Ranking and Notice of Proposed Award**

Applications that receive a minimum score of 70.00 points for all criteria will be ranked according to their score.

* The Energy Commission will post a **Notice of Proposed Award (NOPA)** that includes: (1) the total proposed funding amount; (2) the rank order of applicants; and (3) the amount of each proposed award. The Energy Commission will post the NOPA at its headquarters in Sacramento and on its website, and will mail it to all entities that submitted an application. Proposed awards must be approved by the Energy Commission at a business meeting.
* **Debriefings:** Unsuccessful applicants may request a debriefing after the release of the NOPA by contacting the Commission Agreement Officer listed in Part I. A request for debriefing must be received **no later than 30 calendar days** after the NOPA is released.
* In addition to any of its other rights, the Energy Commission reserves the right to:
	+ Allocate any additional funds to passing applications, in rank order; and
	+ Negotiate with successful applicantstomodify the project scope, schedule, and/or level of funding.
1. **Agreements**

Applications recommended for funding will be developed into a grant agreement to be considered at an Energy Commission Business Meeting. Recipients may begin the project only after full execution of the grant agreement (i.e., approval at an Energy Commission business meeting and signature by the Recipient and the Energy Commission).

* **Agreement Development:** The Contracts, Grants, and Loans Office will send the Recipient a grant agreement for approval and signature. The agreement will include the applicable terms and conditions and will incorporate this solicitation by reference. The Energy Commission reserves the right to modify the award documents (including the terms and conditions) prior to executing any agreement.
* **Failure to Execute an Agreement:** If the Energy Commission is unable to successfully execute an agreement with an applicant, it reserves the right to cancel the pending award and to fund the next highest-ranked, eligible application.
* **Agreement Amendment:** The executed agreement may be amended by mutual consent of the Energy Commission and the Recipient. The agreement may require an amendment as a result of project review, changes in project scope, and/or availability of funding.

## Grounds to Reject an Application or Cancel an Award

Applications that do not pass the screening stage will be rejected. In addition, the Energy Commission reserves the right to reject an application and/or to cancel an award in and of the following circumstances:

* The application contains false or intentionally misleading statements or references that do not support an attribute or condition contended by the applicant.
* The application is intended to erroneously and fallaciously mislead the State in its evaluation and the attribute, condition, or capability is a requirement of this solicitation.
* The application does not comply or contains caveats that conflict with the solicitation, and the variation or deviation is material.
* The applicant has received unsatisfactory agreement evaluations from the Energy Commission or another California state agency.
* The applicant is a business entity that is not in good standing with the California Secretary of State.
* Existence of information demonstrating the applicant does not have the financial capability to complete the project.
* The applicant fails to meet CEQA compliance within sufficient time for the Energy Commission to meet its encumbrance deadline, as the Energy Commission in its sole and absolute discretion may determine.

## Miscellaneous

1. **Solicitation Cancellation and Amendment**

It is the policy of the Energy Commission not to solicit applications unless there is a bona fide intention to award an agreement. However, if it is in the State’s best interest, the Energy Commission reserves the right, in addition to any other rights it has, to do any of the following:

* Cancel this solicitation;
* Revise the amount of funds available under this solicitation;
* Amend this solicitation as needed; and/or
* Reject any or all applications received in response to this solicitation.

If the solicitation is amended, the Energy Commission will send an addendum to all entities that requested the solicitation, and will also post it on the Energy Commission’s website at: [www.energy.ca.gov/contracts](http://www.energy.ca.gov/contracts). The Energy Commission will not reimburse applicants for application development expenses under any circumstances, including cancellation of the solicitation.

1. **Modification or Withdrawal of Application**

Applicants may withdraw or modify a submitted application before the deadline to submit applications by sending a letter to the Commission Agreement Officer listed in Part I. Applications cannot be changed after that date and time but an Application may still be withdrawn. An Application cannot be “timed” to expire on a specific date. For example, a statement such as the following is non-responsive to the solicitation: “This application and the cost estimate are valid for 60 days.”

1. **Confidentiality**

Information received by the Commission in response to a solicitation shall be kept confidential before the posting of the NOPA. However, with very few exceptions, all project documents submitted to the Energy Commission or its technical consultant(s), including as part of any audit, are considered public records subject to disclosure under the Public Records Act. The Energy Commission or other state agencies may also use any of these documents or information for any purpose, including to determine eligibility and compliance with the FPIP, applicable law, or a particular solicitation document, to evaluate related or relevant programs
or program elements, or to prepare reports. These documents and information include, but are not limited to: applications for funding, the agreement itself, invoices and any documentation submitted in support of applications, all agreement deliverables, final project report and documents prepared for other reporting requirements, and materials and documents developed as part of technology transfer activities.

If the Energy Commission requires an applicant or a recipient to provide copies of records that the recipient believes contain confidential/proprietary information entitled to protection under the California Public Records Act or other law, the applicant or recipient may request that such records be designated confidential according to the Energy Commission’s regulations for confidential designation, Title 20, California Code of Regulations, Section 2505.

Applicants or recipients considering requesting confidentiality should note that GGRF funds are subject to information disclosure requirements to ensure transparency. Information concerning the identity of recipients and the grant amount are public information, and will be disclosed according to the California Public Records Act. This information, as well as other public information, may also be disclosed through the Energy Commission’s website, another State of California agency website, or through other means.

Please note that the Energy Commission can disclose confidential information and records to other governmental entities and policing authorities for civil and criminal investigation and enforcement purposes.

For additional information, please refer to the Guidelines, Chapter 3, and the terms and conditions. Persons or entities seeking a confidential designation for data shall follow the process identified in California Code of Regulations, Title 20, Section 2501 et. seq.

1. **Solicitation Errors**

If an applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation, the applicant should immediately notify the Energy Commission of the error in writing and request modification or clarification of the solicitation. The Energy Commission will provide modifications or clarifications by written notice to all entities that requested the solicitation. The Energy Commission will not be responsible for failure to correct errors.

1. **Immaterial Defect**

The Energy Commission may waive any immaterial defect or deviation contained in an application. The Energy Commission’s waiver will not modify the application or excuse the successful applicant from full compliance with solicitation requirements.

1. **Disposition of Applicant’s Documents**

Upon the posting of the NOPA, all applications and related materials submitted in response to this solicitation will become property of the State and publicly available records.

## Stage One: Application Screening

Applications will be evaluated and scored based on responses to the information requested in the solicitation. To evaluate applications, the Energy Commission will organize an Evaluation Committee consisting of Energy Commission staff possessing expertise in food processing energy efficiency. Subject matter experts from other agencies may also be invited to serve as scorers or technical reviewers-the latter provides insight about the technology. Proposals will be evaluated in two stages, application screening and proposal scoring. The following table shows the Application Screening Criteria.

| **STAGE One: APPLICATION Screening Criteria** *The Application must pass ALL criteria to progress to Stage Two.* |
| --- |
| * The application is received by the due date and time specified in the solicitation.
 |
| * The application form is signed.
 |
| * The requested funding falls within the minimum and maximum range specified in the solicitation.
 |
| * If the applicant has submitted more than one application, each application is for a distinct project.[[12]](#footnote-13)
 |
| * The proposal includes one or more match funding commitment letters and meets the minimum match requirement for each Tier specified in Section I.F. The match funding commitment letter(s) is signed and is received by the due date listed in the schedule.
 |
| * The technology is listed in Section II.B.
 |
| * The project location is a food processing facility.
 |

## Stage Two: Application Scoring

Proposals that pass ALL Stage One Screening Criteria and are not rejected as described in Section IV.C. will be evaluated based on the Scoring Criteria on the next page and the Scoring Scale below (with the exception of criteria 5, 6 & 7, which will be evaluated as described in each criterion). Each criterion has an assigned number of possible points, and is divided into multiple sub-criteria. The sub-criteria are not equally weighted. The Project Narrative (Attachment 2) must respond to each sub-criterion, unless otherwise indicated.

* **The minimum passing score** **is 70.00 out of 100 points for criteria 1 - 5.**

**Scoring Scale**

| **% of Possible Points** | **Interpretation** | **Explanation for Percentage Points** |
| --- | --- | --- |
| 0% | Not Responsive | * The response fails to address the criteria.
* The omissions, flaws, or defects are significant and unacceptable.
 |
| 10-30% | Minimally Responsive | * The response minimally addresses the criteria.
* The omissions, flaws, or defects are significant and only minimally acceptable.
 |
| 40-60% | Inadequate | * The response addresses the criteria.
* There are one or more omissions, flaws, or defects or the criteria are addressed in a limited way that results in a low degree of confidence in the proposed solution.
 |
| 70% | Adequate | * The response adequately addresses the criteria.
* Any omissions, flaws, or defects are inconsequential and acceptable.
 |
| 75% | Between Adequate and Good | * Response better than adequately addresses the requirements being scored.
* Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
 |
| 80% | Good | * The response fully addresses the criteria with a good degree of confidence in the applicant’s response or proposed solution.
* There are no identified omissions, flaws, or defects. Any identified weaknesses are minimal, inconsequential, and acceptable.
 |
| 85% | Between Good and Excellent | * Response fully addresses the requirements being scored with a better than good degree of confidence in the applicant’s response or proposed solution.
* No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
 |
| 90% | Excellent | * The response fully addresses the criteria with a high degree of confidence in the applicant’s response or proposed solution.
* The applicant offers one or more enhancing features, methods, or approaches that exceed basic expectations.
 |
| 95% | Between Excellent and Exceptional | * Response fully addresses the requirements being scored with a better than excellent degree of confidence in the applicant’s response or proposed solution.
* Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.
 |
| 100% | Exceptional | * All criteria are addressed with the highest degree of confidence in the applicant’s response or proposed solution.
* The response exceeds the requirements in providing multiple enhancing features, a creative approach, or an exceptional solution.
 |

**Scoring CRITERIA**

**The Project Narrative (Attachment 2)** must respond to each criterion below, unless otherwise indicated. The responses must directly relate to the solicitation requirements and focus as stated in Section I.A. and Section II.B. Failure to comply with the solicitation could be grounds for application rejection as stated in Section IV.C.

|  **Maximum Points** | **Technical Scoring Criteria** |
| --- | --- |
| **Round 1** | **Round 2**[[13]](#footnote-14) |
| **20** | **25** | **1. Technical Merit and Need**Applications will be evaluated on the degree to which the Applicant:1. **Tier 1 Projects**: Justifies that the proposed technology(ies) is commercially available, is drop-in replacement or addition to current systems, and will provide greater GHG emission reductions than current best practices or industry standard equipment.
2. **Tier 2 Projects**: Justifies why the proposed technology is a cutting edge emerging technology, not widely used in California, not drop-in ready replacement equipment or addition, and how it will lead to technological advancement and lead to reduction of GHG emissions at the applicant’s food processing facility.
 |
| **10** | **15** | **2. Technical Approach**Applications will be evaluated on the degree to which the Applicant;1. Describes the approach to be used in performing the work, including demonstrated ability to successfully implement the proposed project.
2. Identifies and discusses factors critical for success, such as risks, barriers, environmental permitting and CEQA, food processing scheduling and other limitations and how these will be mitigated to successfully complete the project within the grant term.
3. Provides a clear and plausible M&V plan that describes how GHG emission reductions, energy savings, and other benefits (e.g., those identified in criteria 3.a.) will be determined if awarded funds
 |
| **40** | **40** | **3. Impacts and Benefits** Applications will be evaluated on the degree to which the Applicant:1. Provides justifiable and reasonable **quantitative** estimates of: 1) annual GHG emission reductions at the applicant’s food processing facility(ies), and 2) other potential benefits for California including the following (*as applicable)*: direct and indirect annual electricity, fossil fuel and thermal savings, (kilowatt-hours, Btus, and therms), energy cost reductions, other air emission reductions (e.g., NOx) and any other co-benefits.
2. Provides cost benefit analysis comparing Energy Commission funds requested relative to estimated GHG emission reductions (e.g., CEC dollars requested/ton of GHG emissions reduced).
3. States the timeframe, assumptions, and calculations for the estimated benefits, and explains their reasonableness.
 |
| **10** | **10** | **4. Market Potential and Information Sharing**Applications will be evaluated on the degree to which the Applicant:* 1. Identifies other market segments in California that can use the technology demonstrated, including size and penetration or deployment rates, with underlying assumptions.
	2. Describes how the knowledge gained will be shared with others.
 |
| **20** | **10** | **5. Capped and Uncapped Facilities** Capped facilities are those that emit more than 25,000 metric tons of CO2e annually and they must reduce emissions or purchase allowances in quarterly auctions. Uncapped facilities include those that: 1) emit more than 10,000 but less than 25,000 metric tons of CO2e annually, or 2) those that emit less than 10,000 metric tons of CO2e annually. For Tier I, priority consideration will be given as follows:

| **Bundled Entity Description for each tier** | **Points** |
| --- | --- |
| **Round 1** | **Round 2** |
| Projects in a capped facility[[14]](#footnote-15), along with any facility(ies) under the same ownership, can be bundled in one application | 20 | 10 |
| Projects in a facility that emits between 10,000 and 25,000 metric tons of CO2e annually7, along with any facility(ies) under the same ownership, can be bundled in one application | 10 | 5 |
| Projects in a facility that are not obligated to report to CARB annually for CO2e emissions | 0 | 0 |

 |
|  |  | For Tier II, priority consideration will be given as follows:

| **Bundled Entity Description for each tier** | **Points** |
| --- | --- |
| **Round 1** | **Round 2** |
| Projects in a capped facility | 20 | 10 |
| Projects in a facility that emits between 10,000 and 25,000 metric tons of CO2e annually | 10 | 5 |
| Projects in a facility that emit less than 10,000 metric tons of CO2e annually | 0 | 0 |

 |
| **100** | **100** | **Total Possible Points** **(Minimum Passing Score is 70)**  |
| **Preference Points (optional): Applicants must meet the minimum passing score to be eligible for the additional points.** |
| **10** | **10** | **6. Priority Populations**Proposals that meet all the requirements of being located in and benefiting priority populations as referenced in Section III.D.8 will receive the maximum points. Proposals that do not meet all requirements will receive zero points. |
| **5** | **5** | 1. **California Based Vendors**

Preference points may be awarded if the equipment selected for installation is purchased from a California—based vendor. Points will be awarded on a sliding scale based on the percentage of equipment funds spent with a California-based vendor and will be calculated by using the following formula:$$\frac{CEC Funds towards California Based Vendors for Equipment}{Total CEC Funds for Equipment}×5 Points $$ |
| Source: California Energy Commission |

1. The Energy Commission reserves the right to reallocate funding between any of the tiers. [↑](#footnote-ref-2)
2. Pacific Standard Time or Pacific Daylight Time, whichever is being observed. [↑](#footnote-ref-3)
3. This deadline does not apply to non-technical questions (e.g., questions concerning application format requirements or attachment instructions) or to questions that address an ambiguity, conflict, discrepancy, omission, or other error in the solicitation. Such questions may be submitted to the Commission Agreement Officer listed in Section H at any time prior to the application deadline. Please see Section H for additional information. [↑](#footnote-ref-4)
4. If funds remain at the conclusion of Round 1, the Energy Commission will release a notice and accept applications for Round 2 by the due date listed in the schedule or another date as indicated in the notice. The purpose of Round 2 is to allow for new proposal submissions and resubmissions in order to fund additional projects should funds remain after Round 1. [↑](#footnote-ref-5)
5. The examples provided are not intended to be all inclusive. Applicants who are unsure if their project is eligible should submit a written question prior to the Deadline for Written Questions and project eligibility will be determined through the Questions and Answers Document. [↑](#footnote-ref-6)
6. The examples provided are not intended to be all inclusive. Applicants who are unsure if their project is eligible should submit a written question prior to the Deadline for Written Questions and project eligibility will be determined through the Questions and Answers Document. [↑](#footnote-ref-7)
7. California Air Resources Board CCI Quantification, Benefits, and Reporting Materials, [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification) [↑](#footnote-ref-8)
8. California Air Resources Board CCI Quantification, Benefits, and Reporting Materials, [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification) [↑](#footnote-ref-9)
9. California Air Resources Board. [www.arb.ca.gov/cci-fundingguidelines](http://www.arb.ca.gov/cci-fundingguidelines) [↑](#footnote-ref-10)
10. See Examples of Common Needs of Priority Populations in the Funding Guidelines [www.arb.ca.gov/cci-fundingguidelines](http://www.arb.ca.gov/cci-fundingguidelines) [↑](#footnote-ref-11)
11. See to the Energy Efficiency or Renewable Energy Evaluation Criteria in the Funding Guidelines <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/ccidoc/criteriatable/criteria-table-eere.pdf?_ga=2.156650299.1602708917.1526276473-361977704.1519737075> [↑](#footnote-ref-12)
12. The Energy Commission is concerned about receiving duplicate applications because it has occurred with entities that are unfamiliar with the online grant solicitation system. If an applicant submits multiple applications for projects that are not distinct, the Commission will contact the applicant about withdrawing the duplicate application(s). But if a timely response is not received, the Commission, in its sole discretion, will select one application to move forward and screen out the duplicate application(s). [↑](#footnote-ref-13)
13. If funds remain at the conclusion of Round 1, the Energy Commission will release a notice and accept applications for Round 2 by the due date listed in the schedule or another date as indicated in the notice. The purpose of Round 2 is to allow for new proposal submissions or resubmissions in order to fund additional projects should funds remain after Round 1. [↑](#footnote-ref-14)
14. California Air Resources Board, Mandatory GHG Reporting –Reported Emissions, <https://ww2.arb.ca.gov/mrr-data> [↑](#footnote-ref-15)