STATE OF CALIFORNIA – NATURAL RESOURCES AGENCY Gavin Newsom, *Governor*

CALIFORNIA ENERGY COMMISSION

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**Addendum 7**

**March 27, 2019**

**GFO-15-312**

**The EPIC Challenge: Accelerating the Deployment of Advanced Energy Communities**

The purpose of this addendum is to update the schedule and requirements for the re-release of Phase II of this solicitation for groups 7 and 8 – Advanced Energy Communities located in Disadvantaged Communities in Northern and Southern California and includes the following revisions to the Solicitation Manual and Attachment 1.

**Solicitation Manual**

 **Part I, Introduction**

Page 4, Section A. Purpose of Solicitation

Deleted: “Projects will be funded in two phases. Phase I focuses on the development of innovative planning, permitting, and financing approaches for Advanced Energy Communities, as well as the development of a real world conceptual design of an Advanced Energy Community.”

Added: “Phase II of this solicitation has been reopened for Groups 7 and 8 only”

Added: “Groups 3 and 4”

Added: “Groups 7 and 8”

Deleted: “This solicitation manual provides instructions on how to apply for Phase I awards.”

Added: “7”

Deleted: “3”

Added: “from Groups 3 and 4”

Added: “Groups 7 and 8 of”

Deleted: Phase I: Planning and Permitting Advanced Energy Communities. Projects will demonstrate the feasibility of innovative planning, permitting and financing approaches at the local and regional levels to incentivize the development of Advanced Energy Communities.

Page 5, Section A. Purpose of Solicitation
Deleted: “Projects must combine regulatory streamlining strategies with a real-world development example to produce a shovel-ready Advanced Energy Community, and a case study that describes the actions, challenges and lessons learned from the project. Receiving an award from Phase I is a prerequisite for applying for and receiving an award from Phase II. Receipt of funding under Phase I does not commit the Energy Commission to funding that proposal for Phase II.”

Deleted: “Projects for Phase I must fall within one of the following project groups:”

* Group 1: Advanced Energy Community; Northern California
* Group 2: Advanced Energy Community; Southern California
* Group 3: Advanced Energy Community Located in a Disadvantaged Community;

Northern California

* Group 4: Advanced Energy Community Located in a Disadvantaged Community;

Southern California

Added: “This solicitation is being re-released for Groups 7 and 8 only.”

Added: “Groups 7 and 8 of”

Added: “7”

Deleted: “3”

Added: “7”

Deleted: “3”

Deleted: “Group 5: Advanced Energy Communities; Northern California Build Out”

Deleted: “Group 6: Advanced Energy Communities; Southern California Build Out”

Page 7, Section D. Additional Requirements

Deleted: “Time is of the essence. Funds available under this solicitation have encumbrance deadlines as early as June 30, 2019. This means that the Energy Commission must approve proposed awards at a business meeting (usually held monthly) prior to March 31, 2019 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), and other applicable environmental review requirements. For example, to comply with CEQA, the 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 Commission may not be able to complete its CEQA review prior to the encumbrance deadline for every project. If, for example, 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 Commission to comply with CEQA, and other applicable environmental review requirements, and provide all related information to the Commission in a timely manner such that the Commission is able to complete its review in time for it to meet its encumbrance deadline.”

Page 9, Section E. Background

Deleted: “Program Area: Market Facilitation”

Deleted: “Strategic Objective S16 of the EPIC 2012-2014 Triennial Investment Plan: Collaborate with local jurisdictions and stakeholder groups in IOU territories to establish strategies for enhancing current regulatory assistance and permit streamlining efforts that facilitate coordinated investments and widespread deployment of clean energy infrastructure;”

Deleted: “Funding Initiative S16.2: Provide Planning Grants to Cities and Counties to Incorporate Clean Energy Technology Planning and Permitting Processes”

Deleted: “Funding initiative S16.2: Provide Planning Grants to Cities and Counties to Incorporated Clean Energy Technology Planning and Permitting Processes.”

Deleted: “Program Area: Technology Demonstration and Deploymoent”

Deleted: “Strategic Objective S12 of the EPIC 2015-2017 Triennial Investment Plan: Overcome Barriers to Emerging Energy Efficiency and Demand-Side Management Solutions through Demonstrations in New and Existing Buildings.”

Page 10, Section E. Background

Deleted: “Funding Initiative S12.2: Demonstrate Large-Scale Deployment of Integrated Demand-Side Management and Demand Response Programs in Buildings.”

Page 15, Section F. Funding

Deleted: “$48,000,000”

Added: “$20,000,000”

Deleted: “including $18,000,000 for Phase I (which is now closed) and $30,000,000 for Phase II.”

Deleted: “group 1 will be eligible to apply for group 5; awarded projects from group 2 will be eligible to apply for group 6; awarded projects from”

Page 15 and 16, Section F. Funding

Deleted: Funding information for Groups 1-6 from funding table.

Added: “2019” to funding table.

Page 16, Section F. Funding

Deleted: “For Phase I:”

Deleted: “Applicants are not required to have a pre-selected site prior to submitting a proposal. Applicants will self-select which funding group they wish to apply to. Applicants must describe in their proposal the approach for how they plan to select a specific site if they have not done so already. The approach and eventual site must be consistent with the funding group that was applied for. An applicant that applies for funding under the disadvantaged communities groups must expend EPIC funds on developments that are located wholly in a disadvantaged community.”

Deleted: “Match funding is not required for Phase I of this solicitation. However, applications that include match funding will receive additional points during the scoring phase.”

Page 17, Section F. Funding

Deleted: “meansall travel required to complete the tasks identified in the Scope of Work. Travel includes in-state and out-of-state travel, and travel to conferences. Use of match funds for out-of-state travel and travel to conferences is encouraged.”

Added: “meansall travel required to complete the tasks identified in the Scope of Work. Travel includes in-state and out-of-state travel, and travel to conferences. EPIC funds will be limited to lodging and any form of transportation (e.g., airfare, rental car, public transit, parking, mileage). Meal expenses are not paid with EPIC funds. Use of match funds for out-of-state travel is encouraged, because the Energy Commission might not approve the use of its funds for such travel. If an applicant plans to travel to conferences, including registration fees, they **must** use match funds.  Applicants should be aware of all state requirements and shall adhere to travel restrictions on using state funds to travel to certain other states pursuant to AB 1887 (2016) and codified at California Government Code Section 11139.8. All applicants are encouraged to go to the Attorney General’s website [https://oag.ca.gov/ab1887](https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Foag.ca.gov%2Fab1887&data=01%7C01%7C%7C368d4aa95c37406cc3df08d6a0c6bf30%7Cac3a124413f44ef68d1bbaa27148194e%7C0&sdata=9FyRMnaaxNrhJrk0t3Rx0JMxh4FB6X%2Bse8cJuTHa%2BuU%3D&reserved=0) for a current list of states subject to travel restrictions.  Grants awarded under this solicitation shall not contain travel paid for with Commission funds (applicants can instead use match funds) to the listed states unless the Commission approves in writing that the trip falls within one of the exceptions under the law.”

Page 18, Section F. Funding

Deleted: “Awarding funds for Phase I does not guarantee any awarding of funds for Phase II.”

Page 19-20, Section G. Key Activities Schedule

Added: “7”

Deleted: “3”

Added: “(Groups 7 and 8 only)”

Deleted: “September 21, 2018”

Added: “July 25, 2019”

Deleted: “5:00 p.m.”

Added: “5:00 p.m.”

Added: “(Groups 7 and 8 only)”

Deleted: “Week of October 29, 2018”

Added: “Week of September 9, 2019”

Added: “(Groups 7 and 8 only)”

Deleted: “January 2019”

Added: “December 11, 2019”

Added: “(Groups 7 and 8 only)”

Deleted: ‘February 4, 2019”

Added: “January 15, 2020

Added: “(Groups 7 and 8)”

Deleted: “January 15, 2024”

Added: “March 2025”

Page 20-21, Section H. Pre-Application Workshop

Deleted: Entire Section H. Pre-Application Workshop

Page 21, Section I. Questions

Deleted: “Applicants may ask questions at the Pre-Application Workshop (for Phase I), and may submit written questions via mail, electronic mail, and by FAX. Under Phase II, in lieu of holding a pre-bid application workshop, the questions and answers period will remain open for an extended amount of time. Applicants 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.”

Deleted: “The questions and answers for Phase II will be posted on the Commission’s website at: <http://www.energy.ca.gov/contracts/epic.html>”

Deleted: “after the deadline for written questions but prior to the application deadline”

Deleted: “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. *If an applicant submits a question after the deadline for written questions that does not concern a non-technical issue or a solicitation ambiguity, conflict, discrepancy, omission, or other error, the Commission Agreement Officer will refer the applicant to the solicitation documents for guidance.”*

 **Part II, Eligibility Requirements**

Page 22, Section A. Applicant Requirements

Deleted: “is open”

Added: “has been reopened for”

Deleted: “to all”

Added: “in Groups 3 and 4.”

Page 23, Section B. Project Requirements

Deleted: “For Phase I, projects must fall within the “market facilitation” stage, which includes activities such as development planning, regulatory assistance and streamlining, and market research to support clean energy technology and strategy deployment.[[1]](#footnote-1) All projects must be located in an IOU service territory.”

Deleted: “Phase I”

Deleted: “The Energy Commission is seeking to fund projects that demonstrate the feasibility of innovative planning, permitting and financing approaches at the local and regional levels to incentivize the development of Advanced Energy Communities. Funded projects will serve as models for local governments that want to encourage sustainable development. Replicability and the transfer of knowledge gained from these projects are a primary goal. For purposes of this solicitation, Advanced Energy Communities are communities that:

Deleted: “Minimize the need for new energy infrastructure costs such as transmission and distribution upgrades.”

Page 24, Section B. Project Requirements

Deleted: “Provide energy savings by achieving and maintaining zero net energy, or near zero net energy community status (accounting for behavior and increasing loads from vehicle and appliance electrification within the defined community).”

Deleted: “Support grid reliability and resiliency by incorporating technologies such as energy storage.”

Deleted: “Provide easier grid integration and alignment with the California Public Utilities Commissions (CPUC) Long-Term Procurement Plan, and the California Independent System Operator’s local capacity requirements process.”

Deleted: “Can be replicated and scaled-up to further drive down costs.”

Deleted: “Are financially attractive from a market standpoint.”

Deleted: “Provide affordable access to renewable energy generation, energy efficiency upgrades, and water efficiency and reuse technologies that reduce electricity consumption for all electric ratepayers within the community.”

Deleted: “Makes use of smart-grid technologies throughout the community.”

Deleted: “Align with other state energy and environmental policy goals at the community level such as the Sustainable Communities and Environmental Protecting Act (Senate Bill 375) and Governor Brown’s Executive Order B-29-15 for the drought.”

Deleted: “Project teams must include one or more local city, county government, or organizations connected to city or county governments, such as joint power authorities, council of governments, and housing authorities that have a role in the development process. Other recommended team members include, but are not limited to: building developers, property managers, real estate agents, technology vendors, researchers, utilities, and financiers. All recipients for this solicitation will be encouraged to collaborate with each other throughout the terms of the projects to give each recipient the opportunity to learn from the experiences of their peers, as well as to better promote a unified effort across all jurisdictions receiving funding. The premise of this solicitation is that to achieve the true benefit of wide-spread deployment of Advanced Energy Communities and realize accompanying cost savings to future residents and homeowners, a cooperative model is needed between developers, permitting agencies, and financers. Examples of collaboration include joint Technical Advisory Committee (TAC) meetings and joint workshops.”

Deleted: “The Technical Merits of **the Project Narrative (Attachment 4**) should describe at a minimum, how the project plans to address the following questions:”

Deleted: “How can the risks and uncertainties surrounding the design, permitting, planning, and financing of these types of communities be minimized or addressed?”

Deleted: “What combination of emerging and proven clean energy technologies and systems offer the best value in terms of economic, environmental, and technical performance?”

Deleted: “What innovative financing strategies can be used to support the development of these types of communities and make them more financially attractive relative to similar community developments without advanced energy attributes?”

Deleted: “Where are the optimal locations within a jurisdiction for designing and deploying these communities that offer the most benefit to ratepayers and the electric grid?”

Deleted: “What are potential business models or collaborative strategies among developers, local governments, investor-owned utilities, etc. that will accelerate the deployment of Advanced Energy Communities?”

Pages 25, Section B. Project Requirements

Deleted: “The Technical Approach of the Project Narrative (Attachment 4) should describe at a minimum, the following:”

Deleted: “Actions or steps already adopted by the local jurisdiction to meet the goals of existing state and regional climate and energy plans. Examples of these plans include the California Climate Adaptation Planning Guide, and the Desert Renewable Energy Conservation Plan.[[2]](#footnote-2),[[3]](#footnote-3)”

Deleted: “Analytical tools, software applications, and data that will be used to improve the design, planning, and permitting of the Advanced Energy Community.”

Deleted: “How the applicant will work with various project partners and stakeholder groups to develop a replicable approach for local governments to plan, permit, and finance an Advanced Energy Community.”

Deleted: “How the community will capture lessons learned and best practices, and how those will be turned into useful guidance for future Advanced Energy Communities.”

Deleted: “The Project Narrative (Attachment 4), as well as the Technical Tasks in Part III of the Scope of Work (Attachment 6)must also incorporate a plan to accomplish the following:”

Deleted: “Develop a case study documenting the actions taken – such as adopting regulatory changes at the local or regional level to increase process certainty for building developers - to reduce the time, cost, and administrative cost to plan and permit Advanced Energy Communities. Any additional training that is needed by local officials to accomplish these regulatory changes is allowed. Case studies should also include analysis on how the development of an Advanced Energy Community will impact savings on distribution infrastructure.”

Deleted: “Develop a Master Community Design showcasing a real world conceptual design of a proposed Advanced Energy Community. The community design should include descriptions of the proposed location(s) for the development, tentative maps, engineering designs of proposed buildings, streets, community spaces, energy technologies to be deployed, water conservation features, water saving technologies, potential interconnection sites, advanced energy infrastructure, and how these elements are combined in a systems approach.”

Deleted: “Using the lessons learned from developing both the case study and the master community design, develop tools and recommendations for use in planning and building departments to allow for more streamlined review of future submittals of Advanced Energy Community plans.”

Deleted: “Develop comprehensive financial and business models showcasing innovative financing strategies that can help make Advanced Energy Communities financially attractive relative to similar community developments without advanced energy attributes.”

Deleted: “Develop an outreach strategy, supported by education and outreach materials, including, but not limited to, journal articles, webinars, and conference presentations.”

Page 26, Section B. Project Requirements

Deleted: “These materials will inform other local governments and developers of project costs and benefits; the approaches and methods used to overcome planning, permitting and financing barriers; and the benefits to ratepayers and grid reliability and safety.”

Deleted: “At the conclusion of the project term, all recipients may be invited to an event hosted by the Energy Commission to share the results of their Phase I projects. This event would be open to the public and allow participants to better promote the lessons learned resulting from this solicitation’s projects, and share them with a wider audience.”

Deleted: “is Seeking”

Added: “has reopened this solicitation”

Added: “in Groups 7 and 8”

Deleted: “under”

Added: “in Groups 3 and 4 of”

Added: “This solicitation seeks”

Added: “in groups 3 and 4”

Added: “in Groups 7 and 8”

Added: “7”

Deleted: “3”

Deleted: “group 1 will be eligible to apply for group 5; awarded projects from group 2 will be eligible to apply for group 6; awarded projects from”

**Attachment 1: Application Form**

Page 1, Associated Phase I Project Table

Deleted: “Group 1; Advanced Energy Community; Northern California”

Deleted: “The Regents of the University of California – Berkeley: The Oakland EcoBlock – A ZNE, Low Water Use Retrofit Neighborhood Demonstration Project”

Deleted: “Natural Capitalism Solutions dba Clean Coalition: Peninsula Advanced Energy Community”

Deleted: “City of Berkeley: Berkeley Energy Assurance Transformation (BEAT) Project”

Deleted: “Group 3: Advanced Energy Community; Southern California”

Deleted: “The Zero Net Energy (ZNE) Alliance: Lancaster Advanced Energy Community (AEC) Project”

Deleted: “City of Santa Monica: Santa Monica Advanced Energy District”

Page 2, Funding Table

Deleted: “Group 5: Advanced Energy Community; Northern California”

Deleted: “Group 6: Advanced Energy Community; Southern California”

Deleted: “Amount Requested Group 5 and 6: $5,000,000 maximum”

1. See CPUC “Phase 2” Decision 12-05-037 at pp. 61-62 and 90, <http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/167664.PDF>. [↑](#footnote-ref-1)
2. Additional information on the Climate Adaptation Planning Guide can be found here: <http://resources.ca.gov/climate/safeguarding/adaptation_policy_guide/> [↑](#footnote-ref-2)
3. Information on the Desert Renewable Energy Conservation Plan can be found here: <http://www.drecp.org/> [↑](#footnote-ref-3)