Geothermal Grant and Loan Program (GRDA) – Mineral Recovery From Geothermal Brines

Pre-Solicitation Staff Workshop

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I. Workshop Purpose

• Opportunity to learn about the Geothermal Grant and Loan Program requirements and process.

• Heads-up on upcoming grant solicitation.

• Chance to think ahead for project planning and development of grant applications.
II. Program Background

• Established by the California Legislature in 1980.

• First decade provided funding and technical assistance to local jurisdictions for geothermal direct use, planning, and mitigation projects.

• In 1992, program expanded to provide grants and loans to private entities and local jurisdictions for both geothermal direct use and electrical generation projects and technologies.
II. Program Background (cont.)

• Also known as the GRDA Program after its Geothermal Resources Development Account funding source.

• Uses revenues paid to the state from geothermal royalties and leases on federal lands in California.

• Program currently awards grant funding every 2 - 3 years using competitive solicitations called Grant Funding Opportunities (GFO).
III. Program Statute and Regulations*

Statute:
• Public Resources Code (PRC), Sections 3800 – 3827
• Defines who can apply and what activities can be funded.

Regulations:
• Title 20, California Code of Regulations (CCR), Sections 1660 – 1665 and Appendix A
• Defines application and award procedures, and scoring criteria.

* GRDA Program statute and regulations are available at: http://www.energy.ca.gov/geothermal/grda_regs.html
IV. Recent Legislation and Changes to Statute

Senate Bill (SB) 1074*

•Added subsection 3823(l) to the PRC list of activities that can be funded by the Geothermal Grant and Loan Program:

(l)In furtherance of the state’s zero-emission vehicle and energy storage objectives, undertaking projects to recover lithium, metals, agricultural products, and other beneficial minerals from highly mineralized geothermal brines at a geothermal facility in existence on January 1, 2017, that is in a disadvantaged community and provides local employment opportunities.

*Hueso, Chapter 539, Statutes of 2016
IV. Recent Legislation and Changes to Statute (cont.)


- Directs the Energy Commission to hold a competitive solicitation for projects under PRC 3823(l) no later than February 1, 2017, using the allocated ARRA funds.
Questions ?
V. Eligible Projects

Must meet all of the following:

1. The project is for recovery of lithium, metals, agricultural products, or other beneficial minerals from highly mineralized geothermal brines;

2. The project is located at a geothermal facility in existence on January 1, 2017, that is in a disadvantaged community* and provides local employment opportunities; and

3. The project uses commercially available technologies for the mineral or product recovery processes. “Commercially Available” means: Available for purchase by the general public or target audience in the State.

*Disadvantaged community as designated by CalEPA using the California Communities Environmental Health Screening Tool, “CalEnviroScreen” at http://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30
VI. Who Can Apply

Local Jurisdiction*:

- Any unit of Indian govern.
- Any city, county, or district, including, but not limited to, regional planning agencies and public utility districts.
- Excludes public utility districts that generate for sale more than 50 MW of electricity.

* PRC 3807

Private Entity*:

- Any individual or organization engaged in the exploration and development of geothermal energy for profit.

* PRC 3809
VI. Who Can Apply (cont.)

• Counties of origin are not restricted from applying for funding.

• Federal agencies and labs, state universities, and state agencies:
  ✗ not eligible to apply for funding;
  ✔ may be eligible as a project partner or subcontractor.
VII. Additional Eligibility Requirements

Local Jurisdiction:

• Must provide a resolution from its governing body authorizing submittal of the grant application. (Resolution must also designate an authorized representative to execute the grant agreement.)

• Must provide a minimum match contribution of 20% of the total project cost.

Private Entity:

• Must provide a minimum match contribution of 50% of the total project cost.

• Grant project must provide tangible benefits to a local jurisdiction.

• Receipt of grant award must be approved by the city, county or Indian reservation where the project is to be located.
Questions ?
VIII. Upcoming Mineral Recovery from Geothermal Brines GFO

- GFO is a competitive grant solicitation. Minimum passing score is 70%.
- $2.5 million available to fund selected projects.
- Grant agreements expected to start in late June 2017 and end in March 2020.
IX. California Environmental Quality Act (CEQA)

- Before approving a grant agreement, the Energy Commission must make a determination whether or not a decision approving an award for a project is in compliance with CEQA.

- All applications must provide documentation of project compliance with CEQA.

- Cannot “piecemeal” CEQA – compliance for the entire project must be demonstrated.

- Should consider CEQA compliance when planning project activities and scope of work.

- Contact CEQA lead agency in the area of project activities for guidance and preparation of appropriate documents.
X. National Environmental Policy Act (NEPA)

- Compliance with NEPA required because funding is federal.

- Applications must include a completed NEPA Environmental Questionnaire.

- NEPA information for selected projects will be given to the United States Department of Energy for NEPA evaluation and determination.

- Approved projects cannot start work until a NEPA determination is made.
Questions ?
XI. Application/Award Process

- Publication of GFO
- Pre-Application Workshop
- GFO Questions/Answers
- Applications Due (approx. 6 weeks from GFO publication)
- Application Evaluation
  - Administrative Screening
  - Technical Evaluation and Scoring
- Notice of Proposed Award (NOPA)
- Grant Agreement Development
  - CEQA compliance required
- Approval at a Business Meeting
- 30-day Review/Comment Period (DOF, Leg Analyst, and Leg Budget Committee)
- Execute Agreement
- NEPA Compliance (before start work).
XII. Application Elements

- Application Form
- Project Narrative (no more than 25 pages)
- Scope of Work
- Schedule
- Project Team
- Budget Forms
- Contacts List
- CEQA Worksheet and Documentation
- NEPA Environmental Questionnaire
- Resolution (for Local Jurisdictions)
XIII. Technical Scoring Criteria

- Demonstrated Need or Value (20 points)
- Proven Extent of Resource (15 points)
- Contribution to Geothermal Energy Development (15 points)
- Likelihood of Success (15 points)
- Public Involvement (10 points)
- Payback and Cost Effectiveness (10 points)
- Economic and Employment Benefit (10 points)
- Match Contribution (5 points)
Questions?
XIV. Suggestions for Preparing Applications

• Read the GFO and all attachments carefully before starting application.
• If you have any questions about the GFO documents or what is required, please submit a formal question by the due date.
• Ensure that all application elements are clear, logical and well written.
• Be sure to submit the application and all attachments in the required formats.
• Fill out all required forms and attachments completely, especially the budget template.
• Provide thoughtful discussion and information in the project narrative that is responsive to the scoring criteria questions.
XV. Things to Remember

• Projects must use commercially available technologies for the mineral or product recovery. Research & Development not eligible.

• Local jurisdiction applications must include a resolution from their governing body approving submittal of the application. Resolution must also name a representative to act on behalf of the local jurisdiction for grant matters.

• Private entity applications need to show how project provides tangible benefits to a local jurisdiction, per PRC 3822(g)(2).

• Private entity applications must discuss how applicant will obtain local agency approval if awarded funding, per 20 CCR 1665(a)(8).

• Applications must include CEQA compliance documentation, per 20 CCR 1665(a)(9).

• Applications must include a completed NEPA Environmental Questionnaire.
XVI. Information Resources

• California Energy Commission/GRDA Program
  http://www.energy.ca.gov/geothermal/grda.html

• CEQA
  California Natural Resources Agency CEQA FAQs:
  http://resources.ca.gov/ceqa/more/faq.html
Questions ?