**GFO-20-305**

**Addendum 2**

**February 26, 2020**

**The Next EPIC Challenge: Reimagining Affordable Mixed-Use Development in a Carbon-Constrained Future**

The purpose of this addendum is to provide further clarification and revisions within the solicitation manual in response to questions received after the pre-application workshop. In addition, the addendum includes modifications to the Concept Application Form, Attachment 1, to remove requested information related to project location, funding amount, and CEQA since this information is not required for the Concept Application stage.

Revisions to the solicitation manual include the following:

* Provides clarification on the definition of mixed-use as it applies to this project.
* Allows prime recipients to submit multiple concept applications and full applications to the same group. Prime recipients will only be allowed to receive funding for the highest scoring proposal. The CEC reserves the right to fund other proposals from the prime recipient in that group if not enough proposals achieve a passing score.
* Provide clarification that there is no limit to the number of awards an organization can be funded for as a subrecipient or vendor.
* Revises the site requirements to clarify the minimum number of low-income units required is 10%.
* Allows applicants to use local requirements, if available, for the minimum percentage of affordable units in the development.
* Removed the site requirement that density must exceed 90% of the local density requirements to allow for more flexibility, such as larger units with more bedrooms.
* Added clarification on eligible costs for the design phase.
* Added technologies to the eligible technologies table and included a statement that additional technologies may be considered eligible based upon CEC approval during the design phase.
* Added language that the CEC may modify the minimum specifications for the current list of technologies during the design phase.
* Revised the qualification for funding amounts for the build phase listed in Table 9 to be based on the number of bedrooms as opposed to number of units.
* Adjusted the Key Activities Schedule to move the Anticipated Distribution of Questions and Answers date to Week of March 1, 2021
* Revised language on CEQA requirements to provide clarity on when an environmental review is required.
* Updated the Concept Application Screening and Design Phase – Full Application screening to reflect updated guidelines for submitting multiple applications.
* Corrected grammatical errors.

The addendum includes the following revisions to the Solicitation Manual. Added language appears in **bold underlined** font**. Deleted language appears in ~~strikethrough~~ and within square brackets.**

# **Solicitation Manual (Grant Funding Opportunity)**

1. Page 3, Section I.A Purpose of Solicitation

Amended to read:

**Note: deleted language appears in strikethrough and within square brackets.** ~~[An organization is only allowed to submit one application as a prime recipient. Organizations are allowed to be sub-recipients on more than one application~~.]

See Part II of this solicitation for project eligibility requirements.

See Part IV for Evaluation and Award Process

1. Page 7, Section I.C Project Focus under Site Requirements

Amended to read:

The development must **be mixed-use. For the purpose of this solicitation, the CEC defines 'mixed-use" as follows: 1) provides two or more significant revenue-producing uses (such as retail/entertainment, office, residential, hotel, indoor agriculture, and/or civic/cultural/recreation), 2) fosters integration, density, and compatibility of land uses, and 3) creates a walkable community with uninterrupted pedestrian connections.** [~~physically and functionally integrate residential space with non-residential space (retail, commercial, office, institutional, etc.).~~

* ~~The development must dedicate a minimum of 20% of the units to affordable housing with at least half (10% of total units) dedicated to lower income units.[[1]](#footnote-2) Developments with a higher percentage of affordable housing units will be given preference points.]~~ **The development must dedicate a minimum of 20% of the total units to affordable housing with at least 10% of total units being dedicated to lower income units. Alternatively, applicants can use local government requirements as the minimum requirements, however they must provide evidence of local affordability requirements. Proposals with a higher percentage of affordable housing and low-income units will be scored more favorably.**
* The development must include a minimum of 50 housing units.
* The development must achieve a minimum density of 30 residential units per acre**.** [~~and must exceed 90% of the maximum density for the local jurisdiction. For example, if the maximum density in the location is 60 units per acre, the development must have a density greater than 54 units per acre.~~]

1. Page 8, Section I.C Project Focus, Footnote

Amended to read:

5 Tier 1 = Critical load, usually 10% of total load: Life-sustaining or crucial to keep operational during a grid outage; Tier 2 = Priority load, usually 15%: Important but not absolutely crucial to keep operational during an outage; Tier 3 = Discretionary load, usually 75%: Remainder of the total load

Based on [~~Energy~~] **Clean** Coalition Value of Resilience, VOR123, methodology.

<https://clean-coalition.org/news/value-of-resilience-to-proliferate-community-microgrids/>

1. Page 10, Section I.C Project Focus, under 1. Concept Application Submittal

Amended to read:

Projects will not be required to have a site secured to submit a concept application abstract. However, if the applicant has a site in mind, or has a site already within its ownership or control, that **should** [~~must~~] be disclosed in the concept application.

**Applicants may submit multiple proposals during the concept application phase, however each proposal must be submitted as its own application unless the projects are part of the same master plan.**

1. Page 10, Section I.C Project Focus, under 2. Full Application Submittal

Amended to read:

Only applicants with a passing Concept Application will be eligible to submit a full application for the Design Phase.

* **Prime recipients: Organizations are only eligible to receive one award per group. Applicants may submit multiple full applications as the prime recipient to the same group. However, only the highest scoring proposal for that group will awarded. The CEC reserves the right to award the other proposals by the prime applicant if not enough proposals in the Group achieve a passing score.**
* **Subrecipients and Vendors: There is no limit to the number of awards an organization be funded for as a subrecipient or vendor.**

1. Page 11, Section I.C Project Focus, under 3. Design Phase Implementation

Amended to read:

**Eligible Costs for the Design Phase can include but are not limited to the following:**

* **Administrative costs to manage the grant**
* **Preliminary financial applications**
* **Community outreach and engagement to solicit input on the proposed development and its design**
* **Architectural and Engineering design expertise**
* **Energy technology expertise**
* **Building simulation**
* **Other areas of expertise to explore innovative strategies to community engagement, financing, and building construction**
* **Tools and expertise to model building energy and GHG profile**

1. Page 16, Section I.C Project Focus, Table 7: Eligible Next-Generation Energy Technologies

Minimum Specifications amended to read:

| **Technology Category** | **Technology or Application** | **Minimum Specifications  (If Applicable)** |
| --- | --- | --- |
| Building Envelope | Automated/Semiautomated air sealing |  |
|  | Building-integrated heat and moisture exchange panels |  |
|  | Dynamic building envelopes |  |
|  | Phase change materials |  |
|  | Vacuum-insulated panels | R-12/in |
|  | Electrochromic fenestration |  |
|  | Envelope treatments for prefabricated and modular construction |  |
|  | Highly insulated fenestration | R-10 |
|  | Cool paints |  |
| HVAC | Low GWP heat pumps | GWP < 150 |
|  | CO2 heat pumps |  |
| Nonvapor compression (i.e membrane-based heat pumps, magnetocaloric, elastocaloric, thermoelastic technologies) |  |
| Advanced building sensors |  |
| Renewable Generation | PV-integrated windows | > 7% conversion efficiency |
|  | Rooftop PV | > 28% conversion efficiency |
| Thin, flexible PV panels | >15% efficiency |
| Software as a Service for Grid Interactive Buildings | Transactive energy |  |
| Building automation |  |
| Vehicle-to-grid integration |  |
| Appliances | DC appliances |  |
| All-electric commercial kitchen appliances |  |
| Power Electronics | Microgrid controller |  |
|  | Solid-state circuit breakers |  |
| Power Electronics | Smart inverters | Rule 21 Phase III advanced inverter functionality |
| Energy Storage | Batteries – lithium ion and non-lithium ion | (Lithium ion >250 Wh/L) |
|  | Flywheel |  |
|  | Thermal storage |  |
| Lighting | Advanced lighting controls systems (ALCS) |  |
|  | Advanced solid-state lighting | 100 lm/W |
|  | Advanced daylighting components |  |
| Domestic Hot Water | Heat pump water heater | CTA-2045 port, **or OpenADR Compatible** |
| Electric Transportation | EV charging stations and/or service provider with vehicle-to-building and/or vehicle-to-grid capabilities | OpenADR2, OCPP, SAE J1772, SEP2, ISO 15118, and/or OCPI |
| Electric micromobility, shared electric transportation, and associated charging infrastructure with smart charging capabilities |  |

Source: California Energy Commission staff

**Additional technologies, beyond those listed in Table 7, may be considered eligible based upon CEC approval during the design phase. In addition, the CEC may modify the minimum specifications for the current list of technologies during the design phase.**

1. Page 17, Section I.D Funding, under 1. Amount Available and Minimum/ Maximum Funding Amounts

Amended to read:

The maximum funding amounts for the Build Phase will differ based on the number of [~~housing units~~] **bedrooms** in the development and whether projects are located in a designated low-income2 (LI) or disadvantaged community2 (DAC), see Table 9.

Table 9: Maximum Funding Amounts by Number of Bedrooms [~~Residential~~] ~~Units~~

|  |  |  |
| --- | --- | --- |
| **Number of ~~Housing [Units~~] Bedrooms in the Development** | **Maximum Project Award Build Phase (non-DAC or LI)** | **Maximum Project Award Build Phase (DAC or LI)** |
| 50 – 74 | $5 million | $6 million |
| 75 – 99 | $6 million | $7 million |
| 100 - 124 | $7 million | $8 million |
| 125+ | $8 million | $9 million |

1. Page 19, Section I.E. Key Activities Schedule

Amended to read:

|  |  |  |
| --- | --- | --- |
| **ACTIVITY** | **DATE** | **TIME[[2]](#footnote-3)** |
| **Solicitation Release** | December 15, 2020 |  |
| **Pre-Application Workshop** | January 21, 2021 |  |
| **Deadline for Written Questions**[[3]](#footnote-4) | **January 22, 2021** | **5:00 p.m.** |
| **Empower Innovation Event**  **https://www.empowerinnovation.net/en/page/empower-innovation-event-en** | **January 28, 2021** | **8:30 a.m** |
| Anticipated Distribution of Questions and Answers | Week of **March 1**, [~~February 22~~], 2021 |  |
| **Deadline to Submit Concept Application Abstracts** | **April 9, 2021** | **5:00 p.m.** |
| Anticipated Posting of Concept Application Abstract Results | April 2021 |  |
| **Deadline to Submit Full Applications for the Design Phase** | **July 28, 2021** | **5:00 p.m.** |
| Notice of Proposed Award Posting Date | Week of August 23, 2021 |  |
| Anticipated CEC Business Meeting | November 2021 |  |
| Anticipated Agreement Start Date – Design Phase Begins | November 2021 |  |
| **Deadline to Submit Application Materials for the Build Phase** | **June 23, 2023** | **5:00 p.m.** |
| Notice of Proposed Award (Build Phase) | Week of July 17, 2023 |  |
| Anticipated CEC Business Meeting (Build Phase Amendment) | August 2023 |  |
| Design Showcase Event | September 2023 |  |
| Build Phase Begins | September 2023 |  |
| Anticipated Agreement End Date | October 2025 |  |

1. Page 23, Section I.I Additional Requirements

Amended to read:

**Applicants must disclose CEQA and permit status to compete in the Design Phase. Again, the amount of information the applicant must provide will necessarily be different for applicants having different circumstances. For example, an applicant that only has a site may not have made much progress on environmental review. On the other hand, some applicants may have a development project underway, and may have already competed CEQA review, prior to further design work that could (if successful in the competition) incorporate changes funded by a CEC grant under this solicitation. (Note that should the project change, the applicant may have to have additional CEQA review.)**

**For success at the Build Phase competition, applicants’s projects must have completed CEQA review by the Lead Agency before the Energy Commission can approve funding under the Build Phase**. [~~Applicants’s projects must meet CEQA requirements to compete in the Design Phase. In addition, should the project change during design work, the applicant may have to have additional CEQA review~~.] Applicants should take this into account in proposing schedules, in order to obtain the necessary environmental review. The Design Phase schedule should factor in CEQA review time, so that the applicant’s deliverables for consideration for the Build Phase are ready in time.

1. Page 49-50, Section IV.E Concept Application Evaluation

Amended to read:

|  |  |
| --- | --- |
| **Concept Application Screening Criteria** | |
| 1. The Application is received by the Energy Commission’s Contracts, Grants, and Loans Office by the due date and time specified in the “Key Activities Schedule” in Part I of this solicitation. | Pass  Fail |
| 2. The Application addresses only one of the eligible project groups, as indicated on the Application Form. | Pass  Fail |
| 3. The Applicant has only submitted one **project per** application**.**  [ ~~as the prime recipient. It is acceptable if the prime recipient is involved in another application as a sub-recipient only.~~*~~If the Applicant is a prime recipient on more than one application and the applications were submitted at the same time, only the first application screened by the CEC will be eligible for funding. If the applications were submitted separately, only the first application received by the CEC will be eligible for funding.~~*] ***Applicants may submit multiple proposals during the concept application phase, however each proposal must be submitted as its own application unless the projects are part of the same master plan.*** | Pass  Fail |
| **Concept Application EVALUATION Criteria** | |
| 1. What is the overall vision for this project team’s zero-emission, mixed-use development concept? If successful, how will this project advance the state’s goals to:   1. Decarbonize its building stock? 2. Increase housing supply and affordability? 3. Ensure equitable benefits to local communities, especially low-income households in those communities? | Pass  Fail |
| 2. What past and current activities and projects has the project team been involved with that show that the concept for the project can be realistically achieved? | Pass  Fail |
| 3. What criteria and process will the project team use — or has already used — to identify and finalize a project site? What steps and actions will the project team take — or has already taken — to ensure the project aligns with the priorities and vision of the community? | Pass  Fail |
| 4. What specific elements of the concept have the highest likelihood of being replicated and scaled? What impact would they have in driving down time and cost of future zero-emission building construction? | Pass  Fail |

1. Page 50-51, Section IV.F Design Phase – Full Application Screening

Amended to read:

| **Design PHase Screening Criteria** | **Pass/Fail** |
| --- | --- |
| 1. The Application is received by the CEC’s Contracts, Grants, and Loans Office by the due date and time specified in the “Key Activities Schedule” in Part I of this solicitation and is received in the required manner (e.g., no emails or faxes). | Pass  Fail |
| 1. The Application Form (Attachment 4) is signed where indicated. | Pass  Fail |
| 1. A Commitment Letter from proposed project site owner (Attachment 13). | Pass  Fail |
| 1. The Applicant Declaration Form (Attachment 15) is signed where indicated. | Pass  Fail |
| 1. The Application addresses only one of the eligible project groups, as indicated on the Application Form. | Pass  Fail |
| [~~6. The Applicant has only submitted one application as the prime recipient. It is acceptable if the prime recipient is involved in another application as a sub-recipient only.~~   * 1. *~~If the Applicant is a prime recipient on more than one application, and the applications were submitted at the same time, only the first application screened by the CEC will be eligible for funding. If the applications were submitted separately, only the first application received by the CEC will be eligible for funding.~~*] | [~~Pass]~~ [~~Fail~~] |
| [~~7]~~.***6.*** *If the project involves Technology Demonstration and Deployment activities*  [~~8.~~]**a.** The Application identifies one or more demonstration/ deployment site locations.  [~~9.~~]**b.** All demonstration/ deployment sites are located in a California electric IOU service territory (PG&E, SDG&E, or SCE).  [~~10.~~]**c.** The proposal includes a site commitment letter (Section III.D.11) for each demonstration/ deployment site. | Pass  Fail |

**Concept Application Form (Attachment 1)**

1. **Page 1-2**

Amended to read:

[**~~Proposed Term~~***~~(must fall within the dates specified in the “Key Activities Schedule” in Part I of the solicitation.)~~*

**~~Start Date: / /~~**

**~~End Date: / /~~**]

**Project Groups** *(Place a check in the box applicable to the proposed project. Select only one group per application. See the Part I of the solicitation for an explanation of each project group.)*

**Group 1:** Bay Area Region

**Group 2:** Central Valley/Northern California

**Group 3:** Los Angeles Region

**Group 4:** Imperial Valley, Inland Empire, and San Diego County

**Project Location – Note: Projects are not required to have a site secured to submit a concept application abstract. However, if the applicant has a site in mind, or has a site already within its ownership or control, that should be disclosed at this time.**

Street Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ State: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Zip Code: \_\_\_\_\_\_\_\_\_\_\_\_\_

[**~~Build Phase -~~ *~~Deployment Projects Only:~~*** ~~Specify the location of the pilot test, demonstration, or deployment site(s) below, if different from above. Identify the location of the site (street address, parcel number, tract map, plot map, etc.) Expand this chart if necessary.~~

~~Street Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_~~

~~City: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ State: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Zip Code: \_\_\_\_\_\_\_\_\_\_\_\_\_~~]

1. **Page 2-3**

Amended to read:

| Funding | *(See the “Funding” section in Part I of the solicitation)* |
| --- | --- |
| Project Group *(select only* ***one****)* | **Group 1:** Bay Area Region  **Group 2:** Central Valley/Northern California  **Group 3:** Los Angeles Region  **Group 4:** Imperial Valley, Inland Empire, and San Diego County |
| [~~Amount Requested~~  ~~Per Group:~~  ~~Design Phase~~ *~~Maximum~~*  ~~(All locations) - $1,000,000~~  ~~Build Phase~~ *~~Maximum~~*  ~~(non- Low-Income or non-DAC) - $8,000,000~~  ~~Build Phase~~ *~~Maximum~~*  ~~(Low-income or DAC) - $9,000,000~~] | [**~~$~~** ~~\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_~~] |
| [~~Match Funding~~  *~~No match funding required~~*~~, but additional points given on proposed total match.~~] | **~~$~~** |
| [*~~The amount must be consistent with the amount or dollar value described in any match funding commitment letters.)~~*] | **[**~~Cash~~~~in hand~~**]**  [~~Equipment~~]  [~~Materials~~]  [~~Information technology services~~]  [~~Travel~~]  [~~Subcontractor costs~~]  [~~Contractor/ project partner in-kind labor costs~~]  [~~Advanced practice costs~~] |

1. **Page 3**

Amended to read:

[**~~California Environmental Quality Act~~** ~~(CEQA) Compliance~~ *~~(for an explanation of CEQA requirements, see CEQA Compliance Form Attachment or http://www.resources.ca.gov/ceqa/~~*~~.~~ *~~Complete Attachment regardless of whether the answers to the questions below are “yes” or “no.”)~~*

**~~1. Are the proposed activities considered a “project” under CEQA (i.e., do they have the potential to cause a direct or a reasonably foreseeable indirect physical change in the environment)?~~** *~~See California Public Resources Code Section 21065 and 14 California Code of Regulations Section 15378 for a definition of “project.”~~*

~~Yes: skip to question 2.~~

~~No: complete the sentence below.~~

*~~The activities funded by the agreement will not cause a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because~~* ~~…~~ *~~[complete the sentence]~~*~~.~~

**~~2. If the proposed activities are considered a “project” under CEQA and are not exempt, has the required environmental review been completed?~~**

~~Yes (provide the documentation required in CEQA Compliance Form Attachment)~~

~~No (explain why no documentation has been prepared where indicated on Attachment)~~]

**Phil Dyer,**

**Commission Agreement Officer**

1. [↑](#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 G at any time prior to the application deadline. Please see Section G for additional information. [↑](#footnote-ref-4)