Energy Research and Development Division

**Questions and Answers**

GFO-20-305

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

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# Design Requirements

1. **Question:** Could you clarify the difference between retrofit and adaptive re-use? For example, if we’re retrofitting an already existing apartment building, but we’re making significant and substantial changes to align with the funding opportunity, would that still count?

**Answer:** Yes, if significant and substantial changes are being made to the building, that would be eligible. To provide additional clarification on the difference between retrofit and adaptive re-use, the CEC considers retrofits for this solicitation to simply replacing existing appliances and equipment and not altering the physical design of the building(s). Part of the purpose of this solicitation is to design a mixed-use project with emerging energy technologies and advanced construction practices in mind. Adaptive re-use re-thinks the design piece and showcases how to better integrate new and emerging technologies through significant modification and transformation of a building into mixed-use.

1. **Question:** If the project has zero or less than 5 parking spaces, is the requirement for EV charging waived?

**Answer:** Yes, the EV charging requirement is waived.

1. **Question:** One of our projects is a senior housing development on top of a regional transit station and has no parking. Based on the 20% EV parking requirement, we assume that a building with 0 parking in an urban TOD location would be ok with 0 parking?

**Answer:** Yes, a building with no parking spaces in a TOD location is acceptable and not subject to the 20% EV parking requirement.

1. **Question:** Is there a mandate for meeting a certain kW (of Solar installed) per Square Meter of the building space or specification?

**Answer:** No, there is no mandate for meeting a certain kW per square meter for solar.

1. **Question:** If you are looking to bring the energy efficiency package to the project, how does that work?

**Answer:** If your organization is focused solely on providing energy efficiency, we recommend you talk with other potential applicants to increase the breadth of emerging energy technologies and advanced construction practices included in your proposal. Technology providers can also engage with project teams during the Design Phase to discuss their technology products and services and how they can benefit the project.

1. **Question:** Is the 20% of load reduction from a code baseline or from the baseline of the facility as built?

**Answer:** The 20% load reduction capability should be based on the expected maximum demand of the building as calculated through the building energy simulation to be completed by the project team during the design phase. Each team must determine their approach to building energy simulation.

1. **Question:** Regarding EV chargers, can the chargers be dedicated to EV car sharing?

**Answer:** Yes, that is acceptable.

1. **Question:** The solicitation requires that a project is capable of being "islanded" from the grid during emergency operation. Has CEC verified that taking this approach is allowable under CPUC rules and regulations?

**Answer:**  Microgrids which can “island” from the grid during an emergency are permissible as long as they follow rules and regulations set by the Public Safety Code and the California Public Utilities Commission. The CEC does not have authority to waive any of these requirements. For example, Public Utilities Code 218(b) that restricts microgrid services from crossing a public street must be considered in the design. Applicants are allowed to pursue multiple microgrids if the project involves more than one building.

1. **Question:** You talked about being able to respond to dynamic pricing signals. Right now, there’s a patchwork quilt out there. Of course, there was the rates pilot, and I don’t know if the architecture that they use to simulate a dynamic price will be available. I know that the CEC is working on a dynamic machine-readable database, but currently there are a lot of different rates out there for different types of applications. If everyone is setting up ad-hoc, different dynamic rates, including the server that that comes from, the database, etc. we’re re-inventing the wheel. There might be more efficiency if there is one standard format that we could use. Will the CEC provide this standard, or are we going to have to, ultimately in our concept, have to develop the rate ourselves for every single project?

**Answer:** The CEC has created a standard for dynamic rates for all projects. The PUC and utilities have reviewed, approved, and delivered over 40 TOU rates in this format. The MIDAS rate database will be made available to all projects during the Design Phase and will not be needed for Concept Application or Full Application submittal to the Design Phase.

1. **Question:** The other question is about the baselines that you use on the minimum design requirement around building peak load. In thinking forward to M&V, are you going to be wanting to look at - when you say a minimum of 20% of the building’s peak load must be available to be temporally managed or curtailed to respond to grid conditions. How would we develop the baseline to assess that 20%? Is that going to be baseline based on a code-compliant model, baseline based on – if it’s a new building, we’d need then a year or two to establish its own baseline. Would it be week-on, week-off? Anything that can pull me a little bit out of the weeds on that would be helpful.

**Answer:** Building peak load, or the maximum expected demand, should be estimated based on building energy simulations and the design should use this value to determine how to provide 20% load flexibility based on this calculated peak load. Applicants should describe in their proposal the tools and models they plan to use in the Design Phase to estimate the building peak load. Reasonable assumptions can be made to calculate energy demand of individual residential units, as well as the expected use of the non-residential space. The design should include technologies such as smart thermostats, appliances, water heating, lighting, smart charging, or others that can be aggregated to provide the 20% load flexibility and demand response.

1. **Question:** We are designing a mixed-use building, and 100% of the residential are electric only. However, we are looking at some small restaurant uses at the first floor, and the feedback we've been getting is that restauranteurs prefer gas for cooking. If we were to design the commercial space with gas lines, that would disqualify this project?

**Answer:** For the purposes of this funding opportunity, all end uses – both the residential and non-residential - need to be all-electric. That includes food service as the second use of the building.

1. **Question:** Your funding is really targeted towards zero emission but I'm wondering about a scenario where the funding for that portion of the project comes from other sources.

**Answer:**  Please refer to Question #11.

1. **Question:** The project has to be 100% Electric?

**Answer:** Yes, please refer to Question #11.

1. **Question:** In a mixed-use building project, (residential, commercial, retail, food service etc.), please provide clarification whether grant funding eligibility permits natural gas in the building design at all, or whether it is excluded entirely?

**Answer:** Please refer to Question #11.

1. **Question:** Will you provide a machine-readable rate, or will we need to create/simulate a real time price?

**Answer:** Yes, the MIDAS database and real-time API will be made available to all projects. Please refer to Question #9.

1. **Question:** Can you define the parameters for Tier 1 and Tier 2 loads?

**Answer:** Tier 1 = Critical load, usually 10% of total load: Life-sustaining or crucial to keep operation 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.

1. **Question:** Is there a list of Critical Loads?

**Answer:** This is up to each project team to determine during the Design Phase what should be considered a critical load. CEC staff encourage applicants to solicit community input in thinking about what loads should be considered critical.

1. **Question:** In a residential unit, is a fridge a critical load?

**Answer:** See answer to Question #17.

1. **Question:** Will residential heating be considered a critical load? This is a large battery burden.

**Answer:** See answer to Question #17.

1. **Question:** What models or methods are allowed for estimating building peak load for meeting the 20% requirement?

**Answer:** For this solicitation, the CEC does not require specific models or methods. Applicants should describe in their proposal what models or methods they propose to use for estimating building peak load.

1. **Question:** What models or methods are allowed for verifying that load can be met by renewables and storage for the 4-9 pm peak period?

**Answer:** See response to Question #20.

1. **Question:** How is it envisioned that HEMS would respond to real-time pricing signals? By shedding the managed loads when prices are high? How high (RTP pricing is a continuum)?

**Answer:** This is up to the project team to determine the approach to load flexibility and ability to respond to real-time pricing signals. Potential teams can use simulations to demonstrate how RTP could support demand response.

1. **Question:** Can the islanding capability be verified using modeling? Over what time period must the building be able to support Tier 1 and Tier 2 loads?

**Answer:** The islanding capability can be modeled in the Design Phase and verified post construction. The microgrid must be sized based on the energy model for indefinite renewables-driven backup power of Tier 1 critical loads using any combination of onsite renewables, onsite storage, and load management. There is no time period required for powering Tier 2 loads. At the time of the Design Phase, the CEC may revise this requirement on a case-by-case basis depending upon unique climate conditions that may render this infeasible for a particular site even with the most advanced energy technologies.

1. **Question:** Does the requirement for indefinite renewables-driven backup power of 10% of loads (Tier 1) apply to all times of year and all-weather conditions, for example dense fog lasting weeks?
2. **Answer:**  At a minimum, modeling and design should be based on a typical year, should account for all-weather conditions, and the approach should be justifiable. Projects will not be required to design for unusual weather conditions. However, project teams are encouraged to take into consideration future changes in climate utilizing tools such as those available on Cal-Adapt, for example, the Cooling Degree Day Tool <https://cal-adapt.org/tools/degree-days/>.
3. **Question:** The solicitation requires that "A minimum of 20% of the building’s peak load must be available to be temporarily managed or curtailed to respond to grid conditions." We ask for clarification on how this is to be determined. There are a variety of questions that arise when considering this topic: Is the building's peak load considered to be the building's kW demand through the meter? What defines the building's peak, and is there any required correlation between hours of building peak and hours of grid peak (system load and/or carbon)? Is this net load (i.e., minus onsite solar or other DER contribution) or gross? Is this calculated based on the baseline (minimally code compliant) condition or the as-designed (more efficient) case? What energy modeling software engines and typical/standardized assumptions should be used to calculate this demand shed capability? What weather/climate conditions should be assumed in modeling building heating and cooling loads -- current weather data or anticipated future conditions? Are there communication requirements for some or all of this demand shed capability (the microgrid controller must be interoperable with DER platforms - but what about the demand shed strategies?). Defining specifics in these regards will ensure that peak load reduction strategies are optimized and maximized, and that CEC is able to compare between proposals on a consistent basis.

**Answer:**

Each question is addressed as follows:

*Is the building's peak load considered to be the building's kW demand through the meter? What defines the building's peak, and is there any required correlation between hours of building peak and hours of grid peak (system load and/or carbon)?*

Peak load is maximum expected kW demand based on a building energy simulation and is uncorrelated to hours of grid peak.

*Is this net load (i.e., minus onsite solar or other DER contribution) or gross?*

This is gross load.

*Is this calculated based on the baseline (minimally code compliant) condition or the as-designed (more efficient) case?*

This should be calculated based on the as-designed building energy simulation.

*What energy modeling software engines and typical/standardized assumptions should be used to calculate this demand shed capability?*

This is up to the project team to determine energy modeling approach using reasonable assumptions.

*What weather/climate conditions should be assumed in modeling building heating and cooling loads -- current weather data or anticipated future conditions?*

Building energy simulations should be based on typical climate conditions for the site location given current weather data. Project teams should strongly consider design based on anticipated future conditions given reasonable assumptions.

*Are there communication requirements for some or all of this demand shed capability (the microgrid controller must be interoperable with DER platforms - but what about the demand shed strategies?).*

This is up to the project team to determine; we would like to see innovative approaches to meet design requirements that are best suited for each individual development.

1. **Question:** We are concerned about the ability to compare “apple-to-apples” results among the responsive projects when it comes to peak load reduction and machine-readable rates. While we are capable of and excited to implement solutions for reducing peak demand and responding to dynamic rates, if each project defines and implements a unique rate structure and peak demand response we worry that those will 1) not accurately reflect results that align with the direction rates and standards are actually going 2) force project teams to incur development costs that would normally be borne by the CEC or load serving entity - thus adding a cost center to the project that could negatively impact the cost effectiveness and scalability of the resulting solution. Is the CEC willing to provide a performance standard or guidance that would allow us to innovate on how to get there but give everyone confidence that results from project to project are comparable? It might be possible to discuss this with the LBNL team working to define M&V for Connected Communities.

**Answer:** All teams will have access to the same information, see Question #9. Projects will be evaluated to advance to the Build Phase based on the scoring criteria which includes many factors that extend beyond load flexibility.

1. **Question:** Can you clarify if the affordable units must meet the home energy management system requirement as well?

**Answer:** Yes, the affordable units must meet the home energy management system requirements as well.

# Eligibility

1. **Question:** I am in Alameda, in the PG&E service area for gas but not for electricity. We use Alameda Municipal Power. Are we eligible to apply?

**Answer:** The project site needs to be in a location that is in the electric service of either Pacific Gas and Electric, Southern California Edison, or San Diego Gas & Electric. If the project site is located in an area served by a Community Choice Aggregator (CCA) in one of the three IOU’s, you're eligible.

1. **Question:** If a location for a project is located in Shasta county where the local distribution billing is by an Electric Cooperative that buys 100% of its power from PG&E can that location be eligible?

**Answer:** If the site is serviced by an Electric Cooperative but would otherwise be considered to be inside an IOU electric service territory, then yes, it does qualify. We recommend that you verify with the IOU that the site is within the IOU territory. Certain electric cooperatives may have separate territories. The purchase of power from PG&E is not a dispositive factor.

1. **Question:** We are unclear about eligibility of projects served by CCA's which provide power that IOUs deliver. Please clarify.

**Answer:** If the site is serviced by a CCA in PG&E, SCE or SDG&E electric service territory, then yes, it does qualify.

1. **Question:** Is student housing eligible as housing?

**Answer:** Yes, but the non-residential space must be accessible to non-residents.

1. **Question:** In the solicitation manual there’s some guidance about what the applicants - some legal issues. One of the things it says is, “has not filed bankruptcy in the last 10 years.” Our team is working with a utility in northern CA that is emerging from bankruptcy. We’re working with a site that they own. Would that make them ineligible to be part of a project team? Would we still be able to use their site?

**Answer:** This bullet point does not apply to subcontractors and site hosts. In the situation above, the entity can be a part of the project.

1. **Question:** Can we apply during the concept paper period with multiple region options?

**Answer:** 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. **Question:** Some desert grounds have city centers and a lot of open ground around them. In defining this as an urban development, which you seem to do but not very specifically, is it okay just to follow the density requirements that you define? Do you have to be a certain distance away from a particular town center in order to quality, or is it just the density requirement?

**Answer:** There are no requirements that it must be an urban development, but the project must meet the density requirements. Note: Staff updated the density requirements in Addendum 2 to the solicitation.

# General Solicitation Information

1. **Question:** My question is about Scaling Phase – how are design efforts earlier in the process influence that and how much of that should be taken into account? It’s very interesting for us to think about scale, especially with making these innovative systems pay for themselves over time. I’ll just add the other question which is around DC appliances and systems. Are you going to make available to us partners and resources who have products in development that might be a good fit? Are there issues that we should be looking at with building codes and so forth?"

**Answer:** Project evaluation includes considerations for scalability as part of market transformation. In the Design Phase, project teams should consider how to ensure that this is not a one-off project development and that the approach is scalable. There is the potential that we will be able to get funding that will lead some of these projects from the Build Phase into what we’re calling the Scale Phase that will bring a similar project development into another community.

Direct Current (DC) appliances and systems are not a requirement. It is up to the project team to determine if they would like to incorporate DC systems.

Teams are encouraged to connect with technology developers on Empower Innovation at [www.empowerinnovation.net](file:///C%3A%5CUsers%5Ckonig%5CDownloads%5Cwww.empowerinnovation.net).

1. **Question:** How is the project group category identified? is it based on the project location?

**Answer:** Proposed projects must fall into one of the four regionally based groups: Group 1 - Bay Area Region, Group 2 - Central Valley/Northern California, Group 3 - Los Angeles Region, and Group 4 - Imperial Valley, Inland Empire, and San Diego Region. Please see Section I, Table 5 to see which counties fall under each region. This is based on the project location.

1. **Question:** Will these chat questions be included in a Q&A written response with the other written submitted questions, please?

**Answer:** Yes, all questions received via chat, call, email, or e-docket are included in this document.

1. **Question:** The Concept Application Form (page 2) requests the Project Location, yet page 9 of the Solicitation Manual states that “Projects will not be required to have a site secured to submit a concept application abstract.” If no site has been identified, should those entries be left blank?

**Answer:** The section requesting Project Location has been deleted from the Concept Application form under Addendum 02 of this solicitation. Therefore, a specific site does not have to be identified in the concept application abstract.

1. **Question:** Will we be able to get a copy of the attendee list?

**Answer:** Yes, all materials for this solicitation, including information from the Pre-Application Workshop for GFO-20-305 – The Next EPIC Challenge: Reimagining Affordable Mixed-Use Development in a Carbon-Constrained Future solicitation information, such as the presentation slides, presentation recording, attendee list and questions & answers, will be posted on the solicitation pages on the CEC’s website located here:

The Next EPIC Challenge page: <https://www.energy.ca.gov/solicitations/2020-12/gfo-20-305-next-epic-challenge-reimagining-affordable-mixed-use-development>

1. **Question:** Would you consider postponing the deadline for questions as it's only one day after this introduction.

**Answer:** Unfortunately, we are not able to extend the deadline to submit questions that are technical in nature or that pertain to the eligibility for this solicitation. However, you are able to submit administrative-type questions (e.g., questions on the budget forms), up until the deadline to submit the applications. You may submit these questions to Phil Dyer at Phil.Dyer@energy.ca.gov.

1. **Question:** Will there be any information discussed today that is not already in the solicitation?

**Answer:** No,this Pre-Application Workshop is to discuss the goals and guidelines for the solicitation and how to apply. This workshop will be recorded for later reference.

1. **Question:** Hi, I am late to the presentation. Will there be another webinar?

**Answer:** This will be the only webinar. The webinar is recorded and will be provided at The Next EPIC Challenge page: <https://www.energy.ca.gov/solicitations/2020-12/gfo-20-305-next-epic-challenge-reimagining-affordable-mixed-use-development>

1. **Question:** It sounds like this is the first time this particular grant program is being offered. So, there are no previous awarded projects that you can refer us to?

**Answer:** This is the CEC’s second design-build competition. However, the first design-build competition focused on community-scale models for deploying clean energy technology solutions. Links to the four projects selected for the build-out can be found below:

<https://ecoblock.berkeley.edu>

[www.advancedenergycommunity.org](http://www.advancedenergycommunity.org)

<https://www.znealliance.org/aec>

1. **Question:** Can answers to key questions regarding project qualifications be provided sooner than Feb. 22nd so that applicants know whether their projects qualify and can have time to prepare the Concept Application?

**Answer:** CEC staff would like to provide clear and concise answers to all questions asked from potential applicants - and sometimes that could take longer or shorter timewise. Please subscribe to the EPIC listserv to be notified if the Q&A document is posted earlier than expected.

1. **Question:** Is the CEC suggesting they might be the ones to determine whether a project is ‘public works’ or not?

**Answer:** The Department of the Industrial Relations (DIR) and/or the courts determine what is considered a public works project. The CEC does not make this determination.

1. **Question:** Is the CEC funded from a State or Federal source? Does it trigger prevailing wage?

**Answer:** This solicitation is part of the Electric Program Investment Charge (EPIC) program which is funded by ratepayers from the state’s three largest investor-owned utilities – Pacific Gas and Electric (PG&E), Southern California Edison (SCE), and San Diego Gas and Electric (SDG&E).

Projects that receive an award of public funds from the CEC 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 CEC 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. Please note that the Department of the Industrial Relations (DIR) and/or the courts determine what is a public works project and what is not. The CEC is not the evaluator of such questions.

1. **Question:** It appears Prime Recipients are not allowed to bill Profit. For for-profit companies, will we be allowed to be prime if we show adjusted billing rates excluding profit?

**Answer:** For-profit companies can be the prime recipient; however, the prime recipient’s budget must NOT include any Recipient profit from the proposed project, either as a reimbursed item, match share, or as part of overhead or general and administrative expenses. Additionally, subcontractors can include profit up to 10 % of their total subcontractor rates for labor and other direct and indirect costs as indicated in the Category Budget form. Please review the terms and conditions and budget forms for additional restrictions and requirements.

1. **Question:** I have a question about the concept application form. The presentation stated that CEQA details don’t need to be included in that, but on the actual form there is a CEQA section, which says that if the proposed activities are considered a project, which is probably the case for most of these projects, under CEQA, that we would need to submit the CEQA compliance form attachment. So, I’m just curious if that’s required or not, because it seems a little early for the Concept Phase.

**Answer:** The section for CEQA on the Concept Application has been removed under Addendum 02.CEQA will need to be factored into the Design Phase. Progress on CEQA is one aspect of construction readiness to evaluate projects for the Build Phase. No need at the time of concept application, but by the end of the Design Phase we expect to see progress with regards to CEQA.

1. **Question:** We just wanted to clarify a question before the Q&A period ends for the EPIC Challenge. Specifically, will all Design Phase applications require a CEQA Form and corresponding environmental review?

**Answer:** All Design Phase applications will require a completed EPIC CEQA Compliance Form but does not require any progress on CEQA at that time (attachment 11). It is expected that the projects will work to address CEQA within the timeline of the Design Phase. We have revised the solicitation manual as follows: Applicant’s projects must meet CEQA requirements to compete in the Build Phase. In addition, should the project change, 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. **Question:** Please confirm whether a CEQA resolution is required, either at any point in the application process or before entering a contract.

**Answer:** Please see Question #49.

1. **Question:** Are all documents associated with the Full Application required to be in word/excel format, or are drawings expected/accepted as a part of the application package?

**Answer:** All attachments associated with the Full Application are required to be in word or excel format. Drawings and additional supportive materials are allowed to be included in the package as pdf.

1. **Question:** Would the developers, architects, and other entities we are partnering with need to fill out an application form as well?

**Answer:** No, you will submit one application for all project team members.

1. **Question:** We learned about this grant opportunity yesterday afternoon from someone who attended the pre-application workshop. Is there a recorded link to the information session/pre-application workshop that we could access?

**Answer:** Yes, the recording can be found at the following link: <https://www.energy.ca.gov/event/funding-workshop/2021-01/pre-application-workshop-gfo-20-305-next-epic-challenge-reimagining>

1. **Question:** Thank you very much for your quick response. During the workshop Staff seemed to have some uncertainty about the definition of mid-rise being 4-stories and more and said that the main concern was density. We don’t have a project for which that would be an issue, but it would be good if the answers clarified that point. For example, would a 3-story building with a density of 60 units per acre (twice the required minimum) qualify.

**Answer:** Yes, your example of a 3-story building with 60 units per acre would qualify. There is no requirement associated with the number of stories for a building. The only requirement is 30 units per acre.

1. **Question:** I think we read that prime recipients can only submit one application, and we just wanted to clarify who counts as a prime recipient. We are a non-profit affordable housing developer. We have actually several design teams who are interested in this program, so we wanted to see what the thinking was around that.

**Answer:** For 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.

For the Design Phase – Full Application:

* 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.
* Subrecipients and Vendors: There is no limit to the number of awards an organization can be funded for as a subrecipient or vendor.
1. **Question:** Does the developer have to be the prime recipient?

**Answer:** No, it’s up to the project team to determine who’s going to be the prime recipient per proposal. To clarify, there’s no specific designation for who can be the prime. The prime recipient is typically the entity who oversees the coordination of the project. From a contractual standpoint, the prime recipient is who the CEC has the award agreement with and who the CEC pays directly.

1. **Question:** Does the prime have to remain the prime throughout the whole project?

**Answer:** Replacing the prime recipient with another entity during the Design Phase is possible but not advisable, as it would require a formal amendment to the agreement and would need to be approved at a CEC Business Meeting. This process could take several months to complete. However, at the end of the Design Phase, all project teams will be expected to develop a formal agreement amendment as part of their application to the Build Phase. A change in prime recipient could be easily incorporated into that amendment.

1. **Question:** This project is supposed to be a model for replicable and affordable projects for the entire building industry to emulate and follow. If no "profits" are allowed by the developer, what developer in his right mind would follow this example? There are very few altruistic developers in the world, from my observations.

**Answer:** The prime recipient’s budget must NOT include any Recipient profit from the proposed project, either as a reimbursed item, match share, or as part of overhead or general and administrative expenses. Developers are allowed to be subrecipients on the project in which case profit is allowable, though the maximum percentage allowed is 10 % of the total subrecipient rates for labor, and other direct and indirect costs as indicated in the Category Budget form. Please review the terms and conditions and budget forms for additional restrictions and requirements.

We see these projects as proof of concepts where either aspects of the design or the full design can be deployed in additional projects moving forward which would not have requirements around profit.

1. **Question:** Will there be another opportunity to submit technical questions before the next phase (design)?

**Answer:** We do not have plans for another opportunity to submit questions at this time.

1. **Question:** The Concept Application requests the Design and Build Phase funding and match funding amounts. These costs cannot be determined until a site has been identified since the amounts depend on the number of units and location as per Table 9 of the Solicitation Manual. Are these amounts firm, or can they be rough estimates?

**Answer:** Applicants are not required to specify a requested or match amount at the time of the Concept Application. The “requested funding” sections on the Concept Application form were removed under Addendum 02.

1. **Question:** The uncertainty about prevailing wage requirements as presented in the Solicitation Manual may be a deal breaker for developers endeavoring to contain costs and build affordable housing. The GFO places the responsibility for resolving this question on applicants who may be discouraged at the Concept Application stage and certainly at the Design Application stage. Is it possible for Energy Commission attorneys to work with the DIR and review court precedent to provide more clarity on the circumstances under which prevailing wage requirements will apply?

**Answer:** No, CEC attorneys are not allowed to provide guidance to applicants on prevailing wage requirements.

1. **Question:** I had a question regarding the affordability percentage of the project. It says there's extra points awarded for higher affordable percentages, but it's really kind of undefined. Is there any way to put a number to that so we can kind of gauge what we are capable of doing? And what the benefit would be a points-wise?

**Answer:** Please see Addendum 02 of this solicitation. Applicants who go beyond the minimum density requirements will be scored more favorably.

1. **Question:** Please clarify how the criteria on page 31 of the RFP for "low populations" is determined in the definition of Disadvantaged Community? Is there a density threshold that determines that?

**Answer:**  Disadvantaged communities are determined based on the California Environmental Protection Agency’s (CalEPA) definition of census tracts scoring in the top 25 percentile using the CalEnviroScreen tool. For more information, please review the CalEPA’s designation of disadvantaged communities: https://calepa.ca.gov/wp-content/uploads/sites/6/2017/04/SB-535-Designation-Final.pdf.

Low-income Communities are defined as communities within census tracts with median household incomes at or below 80 percent of the statewide median income or the applicable low-income threshold listed in the state income limits updated by the Department of Housing and Community Development.  (https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml)

The California Air Resources Board has a map that can be helpful in identifying Disadvantaged and Low-Income communities consistent with these definitions: <https://ww3.arb.ca.gov/cc/capandtrade/auctionproceeds/lowincomemapfull.htm>

To the second part of the question, there is no density threshold that determines whether community is considered disadvantaged or low-income.

# Networking/Teams

1. **Question:** We have an energy management system that is a great fit for multi-family projects, but we are not sure how we can reach out to potential applicants? Is there an email list or planned networking meetings?

**Answer:** The CEC provides multiple ways to find partners for funding opportunities.

Network online on Empower Innovation (http://empowerinnovation.fund/) – an online platform designed specifically for the cleantech community. Use the ‘Find a Partner’ feature to announce your interest in a specific funding opportunity and view other interested parties in a trusted environment.

A list of pre-bid workshop attendees and e-mail contact information can be found through the following links: The Next EPIC Challenge page: <https://www.energy.ca.gov/solicitations/2020-12/gfo-20-305-next-epic-challenge-reimagining-affordable-mixed-use-development>

In addition, the CEC plans to host opportunities during the Design Phase for selected teams to engage with technology solution providers.

1. **Question:** Our company manufactures an innovative energy storage unit. Can be included on all teams? Is a list of Teams specific to this GFO going to be published early in the process?

**Answer:** As a technology provider, you could be part of every team as a subrecipient or vendor. However, it is up to the project teams to form themselves and we do not know who will make up teams until the proposals are submitted. As mentioned in Question 63, the CEC plans to host opportunities for project teams to engage with technology solution providers.

1. **Question:** Do application teams need to include ALL technology providers during the Design Phase applications? (Typically, we’d consider this type of team member as vendors or subcontractors that are not always integrated early on, but rather, bid on systems prior to construction.) Is it advantageous to have technology providers early on in concept phase?

**Answer:** No, project teams do not need to include all technology providers during the Design Phase application. This is something that can happen during the Design Phase itself. It may be advantageous to have an idea about the technologies that are being proposed or pursued as part of the design to better incorporate them into the design, however this is not required for the Design Phase application.

1. **Question:** We would be a team of graduate students and recently graduated professionals leading the project, partnering with developers, local governments, and architects. We plan to incorporate as a company in the coming year, but we have not done so yet done so. Would we be eligible to apply currently? Or would we need to be incorporated?

**Answer:** At the time of concept application, the prime applicant needs to be registered with the California Secretary of State.

1. **Question:** Is there a similar percentage ratio for funding for both Community Engagement and Anti-Displacement activities for CBO's involved in a broader multi-disciplinary team?

**Answer:** This is up to the project team to determine to what extent the CBO will need to be involved to ensure meaningful community engagement throughout the project timeline and that the development addresses community priorities. Scoring criterion 7, Community and Economic Impact, describes considerations that will be used to evaluate projects on community engagement and anti-displacement activities.

1. **Question:** What is your stakeholder / community engagement process desired, and if teams have environmental justice or equity-centering team members, would that be desirable?

**Answer:** It is up to the project team to develop their approach on stakeholder/community engagement. Yes, it would be desirable for teams to include environmental justice and equity-centering teams on their project team. Successful applications will likely include a clearly articulated approach to stakeholder engagement, including dedicated funding and expertise. This includes project team members that can think critically and creatively about how to engage a diverse range of stakeholders, and how to best incorporate the needs of the community and prospective tenants into the design.

1. **Question:** What is the link to the networking platform?

**Answer:** California Energy Commission’s Empower Innovation website at [www.empowerinnovation.net](http://www.empowerinnovation.net)

1. **Question:** How would you recommend an Emerging Technology Provider plug into this process?

**Answer:** Find a partner on Empower Innovation. <https://www.empowerinnovation.net/en/page/empower-innovation-event-en>

In addition, the CEC plans to host opportunities during the Design Phase for project team to engage with technology providers.

1. **Question:** Our company produces energy storage unit. And my question is, we would like to be part of every team, if possible, because we, it's a very precise thing. And we're capable of tying it in a microgrid and doing all the calcs and so forth. So, the question really is that we need to get in touch with the prime recipient of each team and you did say the Empower partnering site. We have already received a CEC grant which we're working on, which is related to energy storage, specifically. But I went on that site and it’s very general. There are a lot of people that are doing all kinds of things and there are a lot of people are not on there. So, is it possible to get something even during the concept phase, just something people can sign into that gives us and contact with the prime recipient? Specifically, for this GFO and doesn't include the entire universe of this type of thing. Because we would like to be a technology partner with as many teams as we can because it will apply and we're willing to do the extra work to cater our product in terms of calculating energy calcs to different configurations. So that's one question. And the other one is fairly straightforward. Now you have this January 28 situation with networking on zoom and so forth. Two people have tried to get on it. There are some technical issues; they can't seem to. I'm just wondering whether you're going to record that so we can look into it later. But it sounds like it'd be hard to record. So, my whole concern is getting in touch with the right people, the right teams. So that's one thing. And then in terms of mixed use - just a question. Is work-live considered mixed use?

**Answer:** Currently, the best way to find a partner is to register your organization on empowerinnovation.net. Once registered, organizations can use the “Funding” tab to search for funding opportunities such as this one and make a “Find a Partner” request. The Empower Innovation page for this funding opportunity can be found at the following link: <https://www.empowerinnovation.net/en/custom/funding/view/6400>. Note, you must be a member, and you must be signed-in in order to use the “Find a Partner” feature.

The recording of the January 28, 2021 Empower Innovation Event can be viewed online at the following link: <https://www.empowerinnovation.net/en/page/sustainable-affordable-housing-en>. Mixed use could be considered work-live if the commercial space was open to the public.

# Other

1. **Question:** Have any fund stacking issues been identified for this program?

**Answer:** We encourage project teams to leverage funds from other sources which can be applied as match funding. We have received comments on the challenges on the timing for lining up various funding sources with this program to finance the project. The CEC has taken steps to try and mitigate those challenges by releasing this two-phase project as a single solicitation to reduce time between phases.

1. **Question:** Similar to stack funding, affordable housing typically includes Tax Credit Allocation Committee (TCAC) and other funding sources. Does the CEC have provisions to adapt to those critical funding sources?

**Answer:** Please refer to Question #73. In addition, if applicants see potential conflicts between those funding sources and this solicitation, please provide so we can consider.

1. **Question:** If an applicant has a similar project with a different organization that is concurrent and aligned with the proposed project for this solicitation, can the EPIC Program resources be used on that concurrent project? For example, if an applicant has a project with the Affordable Housing Sustainable Communities (AHSC) Program under the Strategic Growth Council, can EPIC resources be used on AHSC or other Housing and Community Development-funded projects?

**Answer:** Yes, as long as the project meets design and site requirements, the schedule aligns, and there is no conflict in terms and conditions. Please refer to Question #73.

1. **Question:** Has the CEC advocated for IOUs to collaborated with other energy entities to enhance opportunities in more high-density areas? For example, SDG&E’s jurisdiction is limited and contains more low-density opportunities. However, if areas like the Los Angeles Department of Water and Power (LADWP) were included, there would be more opportunities to incorporate more high-density areas within the proposed project.

**Answer:**  No, we have not advocated for IOUs to collaborate with other energy entities. The EPIC Program is funded by the ratepayers of California’s investor-owned utilities. Given the funding source, a requirement for this solicitation is that the project site must be located within the service territory of Pacific Gas & Electric (PG&E), Southern California Edison (SCE), or San Diego Gas and Electric (SDG&E). Please see Section 1.C under Project Focus for more information.

1. **Question:** Can the CEC provide the eligible costs for the Design Phase as it is not included currently in the solicitation manual? The solicitation only provides eligible costs for the Build Phase.

**Answer:** Yes, examples of eligible costs for the Design Phase have been added to the solicitation under Addendum 02.

1. **Question:** In the Build Phase, can the CEC compel deliverables and eligible costs to reference a *“Community Engagement Plan”* and/or an *“Anti-Displacement Plan”*? This is comparable to the Strategic Growth Council's Transformative Climate Communities’ Program.

**Answer:** The original vision would be the bulk of community engagement activities to take place during the Design Phase. Early community engagement is a vital aspect of the solicitation, and the CEC would like to see this early in the proposed projects Please see Table 17. Design Phase Scoring Criteria, in the solicitation manual for criteria on Community and Economic Impact.

1. **Question:** Does the applicant have to plan for analysis/evaluation of the performance of the proposed project? This might be worth building this into the applicant’s team for benchmarking, establishing relevant performance metrics, etc.

**Answer:** Under the Design Phase, the applicant should present a performance evaluation plan that will align with the Minimum Design Requirements listen in Section I.C. Applicants should explain what measurement tools and methods will be used during the project to reflect the performance of the building. This is included in the scoring and evaluation criteria, please see Section IV.

1. **Question:** Is the solicitation concept different from the solicitation concept that was presented last year or is this a completely different solicitation?

**Answer:** Last year's workshop was a Public/Stakeholder Workshop to scope and form concepts to incorporate within this Solicitation. After receiving feedback and comments after that Workshop, the CEC developed The Next EPIC Challenge Solicitation.

The Pre-Application Workshop is focused on sharing the goals of the Solicitation and how to apply.

1. **Question:** If an applicant gets awarded for the Design Phase, but not for the Build Phase, can the CEC give any insight on how an applicant can continue the project financially?

**Answer:** The CEC recognizes this is a challenge for an applicant after time and value are put into a project. The CEC does urge applicants to gain resources and partnerships to enhance the successfulness of the project. The CEC cannot give guidance on how to financially fund the proposed project if not awarded.

1. **Question:** Typically, mixed-use development projects undergo an expensive multi-year entitlement process that can include CEQA, rezoning applications, planning department review, public hearings, city council approval, and negotiation of development agreements. Preliminary design and cost estimating usually occur during this period to provide sufficiently complete submittals for these reviews and to ensure developer financial goals are met. This solicitation requires that developers can only submit during the Design Phase, after the projects are fully approved and ready for construction. This will risk developers’ investment in the Design Phase without knowing if it will be funded. There is also a wait of 23 months before developers are notified of awarded funds for construction (Design Phase NOPA in August 2021 to Build Phase NOPA in July 2023). Developers/builders are very unlikely to wait two years for Build Phase funding while carrying the entitlement process expenses, architectural and engineering fees, and carrying costs for the land. Construction loan draws a hinge on the completion of construction milestones and cannot be advanced. Will the CEC consider shortening the time between the Design Phase NOPA and the Build Phase applications?

**Answer:**  The predevelopment activities as described, such as CEQA and permitting, are expected to be part of the Design Phase. Please reference Attachment 8, the Scope of Work template, for deliverables expected in the Design Phase. With regards to timeline, we have built in additional time to ensure awarded project teams at all stages will have ample time to prepare for the Build Phase application. In addition, there is time built in for agreement development, with the start of the Design Phase set to begin in November of 2021.

1. **Question:** Are links to external videos/information allowed?

**Answer:** Links to external videos and information is allowed within the Concept and Full Application. Links should be supportive of information already stated within the Application and should not be the priority pathway to inform about the project.

1. **Question:** Please clarify whether this grant funding opportunity is intended to prioritize emissions reductions or affordability?

**Answer:** This solicitation is intended to develop and demonstrate prototype building designs that can realize both. Project teams should describe how the “green premium” for their building designs will come down with scale. Please refer to the scoring criteria to better understand how projects will be evaluated.

# Scoring/Evaluation

1. **Question:** What level of drawings and concept development are required for the Design Phase application?

**Answer:** We're not looking for detailed drawings or renderings at the time of the Design Phase full application. We're more concerned with your approach and the process proposed. You must submit all attachments required for the concept application as listed in the solicitation manual. See Section III.D for additional information on Application Organization and Content.

1. **Question:** Does having a project site chosen early and included in the Concept Phase give teams an advantage?

**Answer:** Having a project site chosen and onboard with the proposed project could support the application, but it is not necessary.

1. **Question:** Can the project team be companies from outside of CA?

**Answer:** Yes, however there is a scoring criterion which awards points based on funds spent in California. The more funds that are spent outside of California, the fewer points an applicant will receive under this criterion. Please see Section IV of the solicitation for more details. In addition, applicants are not required to be located in California; however, all corporations, limited liability companies (LLCs), limited partnerships (LPs) and limited liability partnerships (LLPs) that conduct intrastate business in California 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 CEC Business Meeting.  This solicitation is open to all public and private entities with the exception of local publicly owned electric utilities. In accordance with CPUC Decision 12-05-037, funds administered by the CEC may not be used for any purposes associated with local publicly owned electric utility activities.

1. **Question:** Do you think we will need to come to the table with partners in each of the categories that you went through, all the way through the architectural firms to the technology experts?

**Answer:**  All partners in different stakeholder categories are not required. This list was developed because at some point you will likely need to engage with these stakeholders, and their project support and involvement is encouraged. There is no need to identify all project partners at the time of concept application. The full application for the Design Phase will include an evaluation of Team Qualifications, Capabilities, and Resources; having key partners identified at that time will support your application.Please see Design Phase Scoring Criteria found in Table 17 of the solicitation manual for more details.

1. **Question:** Is the preference points for a higher percentage of affordable units quantified anywhere in the solicitation? Are preference points for match funding quantified?

**Answer:** Please see Addendum 02 of this solicitation for updated Site Requirements. Proposals that exceed the minimum density requirements will be scored more favorably as described in Table 17, section 7, Community and Economic Impact. Preference points for match funding can be found in Table 17, section 14, Match Funds.

1. **Question:** How many and who will make up the selection committee in terms of professional backgrounds?

**Answer:** A distinguished panel of judges and/or Evaluation Committee members will form the Evaluation Committee for the Build Phase. The Committee will recommend four Recipients under the Build Phase for approval by the Energy Commission, based on the scoring rubric (see Section IV.H for the Build Phase scoring rubric). In addition, non-monetary awards – such as “People’s Choice” and “Most Innovative Architectural Design” – will be given. Technical reviewers will be assigned for each of the selection criteria. The technical reviewers will review each of the designs and provide their assessments. The Build Phase Evaluation Committee will use these assessments as part of their recommendations.

# Site Requirements

1. **Question:** For a project that’s 100% affordable housing, does that require 50% of units to be dedicated to lower income housing?

**Answer:** No, please see Addendum 02 of this solicitation for updated Site Requirements. The development must dedicate a minimum of 20% of the total units to affordable housing with at least 10% of the total units being dedicated to lower income units. Alternatively, applicants can use local 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.

1. **Question:** A goal of this grant program appears to be to encourage the development of needed more affordable housing in the State of California.  There is a provision in the solicitation that requires a minimum of 20% of the residential units be affordable and at least half of those affordable units be lower income (0%-80% AMI).  Oftentimes affordable housing developments are comprised of 100% affordable units.  For a 100-unit affordable housing project of 100 units that would mean 50 units (half the total units) would need to be lower income which could create certain challenges in financing an affordable project.  Does your program allow for some flexibility in reducing the number of required lower income units since the project is already delivering a 100% affordable housing project?  I would suggest the solicitation consider requiring an all-affordable housing project provide at least 20% of the total number of units in a project be lower income.

**Answer:** Please refer to Question #91.

1. **Question:** If a project meets a local requirement for 15% Below Market Rate (BMR) and 11% Very Low Income (VLI), could it be accepted as an alternative to the 20% affordable and 10% lower income requirements?”

**Answer:** Yes,please refer to Question #91.

1. **Question:** "Two questions regarding a project that is being built in three phases on one site that will include over 1250 residential units, at least 66 of which would be affordable:

1. Do the affordable units have to be in the same structure as the building that includes commercial uses if they are on the same site?

 2. Can the commercial spaces be built under a later phase, and do they all need to be zero emissions?

**Answer:** The affordable housing can be separate as long as the project is single development project of one or more buildings. If multiple buildings, they must be located within ¼ of a mile, part of the same overall masterplan development, and have functional integration among buildings, such as DER aggregation.

The non-residential space must be built within the "Build Phase" agreement term and must adhere to the design and site requirements as stated in the solicitation manual.

1. **Question**: One of our project sites has multiple lots which are scattered across a jurisdictional boundary. One area is considered a disadvantaged community and one is not due to municipal concerns and decisions, even though the census tract level information is nearly identical. Would that be an issue or complication or something we should follow up with you directly?

**Answer:** Please refer to Question #94 for projects with multiple buildings. There is not a requirement that the projects be located in a disadvantaged community, but there are bonuses in terms of the maximum amount of funding a project can receive. Also, proposals that are located in a disadvantaged community will be scored more favorably.

1. **Question:** Can this project be a multi-site, multi-building project if the buildings are located in 1/4-mile distance?

**Answer:** Yes, as long as it meets the rest of the site and design requirements.

1. **Question:** What are the minimum requirements for a project with multiple buildings to qualify as a single scatter-site project?

**Answer:** The project must meet the minimum site requirements detailed in the solicitation manual. Please refer to Question #94.

1. **Question:** I’m an architect at Koning Eizenberg. We have a few urban in-fill developments. My question is around dwelling units per acre being the measure of density. We work on a lot of our affordable housing units, and a lot of them are family-oriented, so we end up having a lot of 3 bedrooms and 2 bedrooms, which reduces our dwelling unit per acre, compared to a project that’s just sticking in a lot of smaller units. And often what we’re up against is actually FAR. So, you can have 2 projects that have the same FAR, but if you’re providing more families with units, you’re providing less density FAR measure, and I’m just wondering if there’s any thinking on leniency around that for projects – how unit mix plays into that. Often funding mechanisms also have minimum unit sizes for affordable housing versus market rate.

**Answer:** Please see Addendum 2. We have revised the maximum funding amounts for the Build Phase to differ based on the number of bedrooms in lieu of housing units. In addition, we revised the minimum density requirements to be 30 residential units per acre and removed the requirement to be within 90% of the maximum density of the local jurisdiction.

1. **Question:** Perhaps base the dwelling units per acre scoring on occupancy estimates.

**Answer:** Please refer to Question #98.

1. **Question:** How do unit sizes play into this requirement? Do SRO affordable projects count?

**Answer:** The solicitation does not have a requirement for unit size. Single Room Occupancy housing projects would be eligible.

1. **Question:** Would "passive house" standards work for as a threshold for a full remaking of an existing structure? Would a small mixed-use building qualify?

**Answer:** We are looking for buildings to be designed with emerging energy technologies in mind. If the project is a simple retrofit, it would not necessarily be disqualified but that proposal would likely not score very high during evaluations.

A small mixed-use building would qualify if it meets the minimum site and design requirements. Please see this solicitation’s scoring criteria for additional details on how each project proposal will be evaluated.

1. **Question:** Would a pre-school be considered a commercial use?

**Answer:** A pre-school would be considered institutional and an acceptable non-residential use for this solicitation.

1. **Question:** We have a question about the mixed-use definition. Many affordable housing projects have resident services, property management and other support services for the residents. Does the mixed-use component focus on community amenities or would these resident service uses be considered mixed use?

**Answer:** The mixed-use component should focus on community amenities or other services that are available to both residents and non-residents. 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. The amenities described in the question would not be considered mixed use if they are only available to the residents and not available to the public.

1. **Question:** How is "mixed use" defined for eligibility? Should teams use the local jurisdiction's definition of mixed use, or will that be defined by the CEC for all projects?

**Answer:** Please refer to Question #103.

1. **Question:** The live discussion left the topic of defining mixed-use open-ended, stating that a lot of different approaches would be considered. Will CEC publish definitive guidelines as to what constitutes mixed use for the purposes of this grant?

**Answer:** Please refer to Question #103.

1. **Question:** Can you elaborate on the description on Page 7 for the Minimum Site Requirements “The development must physically and functionally integrate residential space with non-residential space”? Do residential services such as a gym, art gallery, supportive service offices meet this requirement if located on Level 1 towards the public way? Would a small café, bicycle kitchen or small we-work space meet this requirement for mixed-use?

**Answer:** Services such as a gym, art gallery and supportive staff offices would not be considered mixed use if they are only available to the residents and not available to the public or non-resident customers. Please refer to Question #103.

1. **Question:** Can you clarify more of what your definition of what qualifies as "mixed-use" is? For example, by sq. footages? Or percentages of the whole project? and "types" of uses--for example, public owner housing plus commercial or housing plus a public use like school or library or public park?

**Answer:** Uses such as daycare facilities and other institutional uses would be eligible as a non-residential use. Please refer to Question #103.

1. **Question:** The building is totally required "mixed use”, or could it be "mixed-useable?”

**Answer:** Please refer to Question #103.

1. **Question:** The Urban Land Institute’s Mixed-Use Development Handbook characterizes mixed-use development as one that 1) provides three or more significant revenue-producing uses (such as retail/entertainment, office, residential, hotel, and/or civic/cultural/recreation), 2) fosters integration, density, and compatibility of land uses, and 3) creates a walkable community with uninterrupted pedestrian connections. Would an affordable residential project with a clubhouse that leases its use on a short-term basis qualify as mixed use?

**Answer:** No, this is a common feature of multi-family housing and it would not be considered mixed-use. However, this space could be used as a community center, such as a community resilience hub, and provide services to the local community at large, beyond just the residents of the building. We are looking for projects that support clean energy innovation in the commercial space and add value to the local community. Projects will be evaluated accordingly.

1. **Question:** Does the non-residential portion of a project need to include both retail and office, or can it just consist of office with residential?

**Answer:** The project can be office and residential. Please refer to Question #103.

1. **Question:** We have project that will be farm worker housing in Sonoma County. The building program will include apartments as well as common areas, management offices and space for resident services activities.  Will that meet the “mixed use” requirements? The common areas would be on a separate meter and could be load-managed separate from the apartment/residential loads.

**Answer:** If the services provided are for residents of the development only and not accessible to non-residents, this would not count as mixed-use. The non-residential use must be available to the public or non-resident customers. Please refer to Question #103.

1. **Question:** For the integration of the residential and non-residential spaces, is there a requirement for the location and how much of the non-residential space could be mixed-use?

**Answer:** Please refer to Question #94 and the “Minimum Site Requirements” for location requirements. There is no minimum or maximum size for the non-residential use(s).However, we are looking for projects that support clean energy innovation in both the residential and commercial space and add value to the local community. Projects will be evaluated accordingly.

1. **Question:** Is there a minimum % area for the non-residential portion?

**Answer:** No, there is no minimum % area for the non-residential portion of the project. However, we are looking for projects that support clean energy innovation in both the residential and commercial space and add value to the local community. Projects will be evaluated accordingly.

1. **Question:** Is there a requirement for the total square footage of non-residential space or total non-residential space as a percentage of total square footage?

**Answer:** Please refer to Question #113.

1. **Question:** Our team is planning a mixed-use development in a suburban location which is divided into two parcels – one for a public facility use and one for affordable housing. Does the residential density need to be calculated based on the entire parcel, or would we be able to calculate density based on the site area dedicated to the affordable housing only?

**Answer:** The density requirement is to be calculated using the area of entire parcel, not including greenspace.

1. **Question:** I'm a supportive housing developer and I have a question about qualifications for mixed use. Our buildings typically have a residential component, but they also have on site supportive services where they have an office associated with that. Does that count as mixed use?

**Answer:** This would not count as mixed-use if the services provided by the office are for residents of the development only. The non-residential use must be available to the public.

1. **Question:** Could you explain the functional integration of residential and non-residential spaces a bit more? Do you mean from an energy perspective, or from a use perspective? What are you looking for exactly?

**Answer:** We are characterizing functional integration based on the Urban Land Institute’s Mixed-Use Development Handbook that characterizes mixed-use development as one that fosters integration, density, and compatibility of land uses, and creates a walkable community with uninterrupted pedestrian connections. This supports more of a use perspective with regards to integration. However, we encourage project teams to consider functional integration of energy systems as well as best as allowed within the current regulatory environment.

<https://www.completecommunitiesde.org/planning/landuse/mixed-use-development/>

1. **Question:** How should the team determine the “90% of the maximum density requirement” if the local zoning does not use density to regulate building form, for instance using FAR to determine density?

**Answer:** The requirement to exceed 90% of the maximum density for the local jurisdiction has been removed under Addendum 02. Projects must still meet the minimum density requirement of 30 residential units per acre.

1. **Question:** Is the 30 units/acre minimum density a fixed requirement or is there any flexibility?

**Answer:** The minimum requirement is fixed at 30 units/acre. Note, this does not include greenspace.

1. **Question:** Is "Build Phase location/deployment site" required for the concept package? Would this include manufacturing facilities for off-site construction?

**Answer:** 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 be disclosed in the concept application.The “site” refers to where the project will be located and does not include manufacturing facilities for off-site construction.

1. **Question:** For supportive housing developments, would a project that integrates the service provider's office into the building qualify as mixed-use?

**Answer:**  If the services provided are for residents of the development only, this would not count as mixed-use. The non-residential use must be available to the public. Please refer to Question #103.

1. **Question:** Do I understand correctly that there is a mixed-use requirement? Bonus rhetorical question: did anyone actually think to talk to the developer community about the wisdom of mandating “mixed use”?

**Answer:** Yes, there is a mixed-use requirement, please see “site requirements in the solicitation manual. We had extensive outreach that included several workshops to present this concept and get feedback.

1. **Question:** Do we have to have a site secured for the project in Design Phase?

**Answer:** Yes, applicant teams are required to have a site selected and secured to submit the Full Application for the Design Phase. The CEC considers a site secured (for the purposes of submission of a Full Application only), when a member of the applicant team either owns or controls the site or is in the process of owning or controlling the site. See also the answer to question 144.

1. **Question:** I didn’t see a requirement for mid-rise when I read through the requirements in the release. We’re looking at projects in the southern California desert and some of those towns and cities have limitations on high-rise structures. So, if mid-rise is a requirement, how it’s defined is quite important. Is it a requirement? Is it acceptable to have part of that be below ground and part above-ground?

**Answer:** Yes, it would be acceptable to have parts of the project below ground.There is no requirement for number of stories, the project just needs to meet the “Site Requirements” listed in the solicitation manual.

1. **Question:** Is the definition of a mid-rise 4 stories or more? 5 stories or more?

**Answer:** There is no requirement for number of stories, the project just needs to meet the “Site Requirements” listed in the solicitation manual.

1. **Question:** Your presentation described "mid-rise" developments. Is that a requirement? If so, what defines "mid-rise"?

**Answer:** Please refer to Question #125.

1. **Question:** The 90% maximum density – is that for the particular site?

**Answer:** The requirement to exceed 90% of the maximum density for the local jurisdiction has been removed under Addendum 02. Projects must still meet the minimum density requirement of 30 residential units per acre.

1. **Question:** Can you expand on the density scoring criteria? How will they be handled for projects in locations without maximum densities?

**Answer:** Please refer to Question #127.

1. **Question:** We’re an affordable housing provider. We’re looking at a project that may include cooperative or collective housing units, that may be considered from a building code standpoint a single unit but actually provides housing for 8-10 totally separate households that are only sharing a common kitchen. A co-housing type methodology. Would those units be considered a single unit?

**Answer:** Cooperative or collective housing units would be considered based on the number of people those units are housing.

1. **Question:** Is there a maximum development size and number of units? And is there a minimum size of the non-residential (mixed use) components of the project?

**Answer:** No, there is no maximum development size and number of units. And no, there is no minimum size of the non-residential space either.

1. **Question:** Phase II, which would be the primary focus of the program grant is going to be 38 units, but it joins Phase I, which has 30 units, for a total of 68 units at the site. If the project were to receive funding the detailed analysis of potential building methods and technologies would be for Phase II, but we would also investigate how to extend load management and on-site renewable strategies to both phases of the project to develop a campus/multi-building approach. Would this approach meet the "minimum 50 units” requirement?

**Answer:** This would meet the minimum design requirements since the project would extend the onsite renewable generation and load management strategies to both phases as long as there is coordination and communication of electricity generation and demand across both phases through a Virtual Power Plant platform or other strategy. However, for the Build Phase, applicants will only be able to request the amount of funding based on the number of new units being constructed. Please see Table 9 of the Application Manual.

1. **Question:** Would Workforce Housing or Permanent Supportive Housing units be eligible?

**Answer:** Yes, as long as they can meet the other minimum site and design requirements of the solicitation.

# Technologies

1. **Question:** Will the CEC be regulating where solar panels will be located, via roof-mounted or ground-mounted, in the interest to best integrate the system instead of financial motivation? Is there a mandate for the on-site solar and is the density calculated including a remote solar array, should an applicant build a remote solar array? What’s the density measurement here, and how have you made sure that’s fair as far as land use versus solar kwh?

**Answer:** Power must be generated onsite, and it is up to the project team to determine the location. This can include roof-mounted PV, ground-mounted PV, transparent PV, or other onsite generation technologies. Note that the minimum design and site requirements were developed with the intent of encouraging teams to leverage advanced energy technologies and innovative solutions to provide enough onsite generation to meet the minimum design requirements including minimum density of 30 acres per unit. Offsite generation will not be accepted to meet minimum design requirements and will not be eligible for funding.

1. **Question:** Does the CEC have any expectation that the generation sources would be anything other than photovoltaic solar?

**Answer:** The CEC is anticipating most of the on-site generation would be solar PV, but other renewable generation technologies are welcome to be included.

1. **Question:** Is PV the only solar technology that is acceptable? If there’s a thermal solar that’s cost-competitive and appropriate, is that conceivably acceptable?

**Answer:** Yes, if the project results in zero-emissions operations, then thermal solar would be acceptable.

1. **Question:** Is solar PV required as the only acceptable solar technology if another option is competitive?

**Answer:** No, solar PV is not the only acceptable technology, other technologies can be considered for generation.

1. **Question:** If the project is 100% Electric then Solar Thermal (Gas) for Domestic Hot Water would not be eligible, yes/no?

**Answer:** Solar thermal would be eligible. However, natural gas is not eligible to be used as back-up for the solar thermal hot water.

1. **Question:** How would the inclusion of a technology alternative improve an applicant's score? Technology alternative is defined as a solution that would enhance electricity bill savings, backup power capabilities, and environmental benefits.

**Answer:** Scoring criteria includes the evaluation of “Emerging Energy Technologies” as described in Table 17 of the solicitation manual. In the Project Narrative of the full application, you must describe which technologies will be leveraged to address the minimum design requirements for the mixed-use development.

For example, an innovative battery management software can lower the overall cost and create a more replicable design. It is up to the Applicant to highlight those concepts within the Project Narrative.

1. **Question:** What are the CEC’s thoughts on a project that is powered entirely or partially by hydrogen fuel cells?

**Answer:** The goal of this solicitation is to create a mixed-use development as an all-electric zero-emission design. The source of the hydrogen will determine is if this would be acceptable.

1. **Question:** The minimal requirement regarding the heat pump water heater to have a CTA-2045 port. Can the CEC open this requirement to reflect something similar to *“compatible with open ADR tool”*?

**Answer:** Under Addendum 02 of this solicitation, the minimum specifications for domestic hot water has been changed to OpenADR Compatible. In addition, the following text was added:

*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. **Question:** Is this solicitation only for building design? Can building-integrated photovoltaics be a considerable focus?

**Answer:** This solicitation is focused on developing the mixed-use building as an all-electric zero-emission design. Building-integrated photovoltaics would be an acceptable technology to use to reach the zero-emissions goal for the project.

1. **Question:** In regard to table 7. Eligible Next-Generation Energy Technologies” does ‘eligible’ means ‘allowed’ and any technology that is NOT mentioned in this list is NOT eligible/allowed? For example, there is no mention of VRF system (typically used in the market) but does that make it ineligible/not allowed as part of this challenge?

**Answer:** The solicitation manual was revised in Addendum 2 to include the following language:

*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. **Question:** Another point that was raised had to do with CPUC approval of the islanding requirement in the solicitation. A related question is, if buildings include central water heating (as is probable), billing for hot water use by the owner would help overcome the problem we have seen with one or more tenants using an excessive amount, resulting in higher than projected overall energy use. That would make it a micro utility, which has been prohibited by the CPUC.

**Answer:** Project designs must adhere to the rules and regulations set by the Public Safety Code and the California Public Utilities Commission. The CEC does not have authority to waive any of these requirements. Innovative financial models or hot water system design that could encourage reduction in hot water use while still allowing for central hot water heating could be part of the proposed project innovations.

# Timeline

1. **Question:** Other question is on timing/ issue of land ownership. I have a project with a land lease structure with City/ County ownership so I am unclear how projects like this would/wouldn't qualify.

**Answer:** As the Solicitation Manual (p. 10) states, “**Applicant teams are required to have a site selected and secured to submit the Full Application for the Design Phase.**  The CEC considers a site secured (for the purposes of submission of a Full Application only), when a member of the applicant team either owns or controls the site or is in the process of owning or controlling the site. Examples of the latter (i.e., process of owning or controlling) include, but may not be limited to, purchase agreement, lease-option agreement, lease-purchase agreement, purchase option agreement, agreement to donate, or site acquisition negotiations regarding these types of transactions. . . ” (bold in original)

Turning to the question specifically, a long-term land lease that effectively covers the expected useful lives of the buildings would be sufficient control. For example, as sometimes used in real estate transactions, a 50-year lease or a 99-year lease would likely be equal to or greater than the useful expected lives of the buildings.

This answer does not mean that at least a 50-year lease is necessary or that the “expected useful life” is necessarily the only metric. Explain in your application your argument that you have control of the site for long enough to make sense with the goals of the solicitation.

1. **Question:** Regarding the Build Phase, you mentioned that applications would be due July 2023. Is there an anticipated schedule for the deadline to begin drawing on the funds and then to fully draw the funds? Typically, with public funding for affordable housing – there is a window for drawing the funds and expunging the funds. Has that been set or is there some flexibility there?

**Answer:** Funds for the Build Phase would become available after projects selected to move on to the Build Phase are approved at a CEC Business Meeting. The anticipated EPIC 4th Investment Plan (2021-2025) funding will be available upon enactment of the annual State Budget Act.

Anticipated Funding Timeline:

FY 2021-22: Encumber July 1, 2021 – June 30, 2023; Liquidate by June 30, 2027

FY 2022-23: Encumber July 1, 2022 – June 30, 2024; Liquidate by June 30, 2028

FY 2023-24: Encumber July 1, 2023 – June 30, 2025; Liquidate by June 30, 2029

FY 2024-25: Encumber July 1, 2024 – June 30, 2026; Liquidate by June 30, 2030

FY 2025-26: Encumber July 1, 2025 – June 30, 2027; Liquidate by June 30, 2031

1. **Question:** Nonprofit developers like FCH are constrained by this two-year gap between the design and build awards. In order to be competitive for the Low-Income Housing Tax Credits, which we use to finance our projects, we need to know that we have our funding commitments in place. By setting the application and award date in summer 2023, this forces us to wait until late 2023 to apply for tax credits and spring 2024 to start construction. This also requires us to go far down the path of designing a project to meet EPIC challenge goals without knowing if the funding will be in place to pay for it. There is currently much pressure facing developers of affordable housing to contain costs, and the higher cost of construction would potentially cause the project to be less competitive for the tax credits. Therefore, we would have to design the project with a “Plan B” if we were to find out late in the game that we were not able to secure EPIC Challenge building funds. There appeared to be some flexibility in the timeline during the Q&A session of the workshop. Is it possible to alter the timeline so that there is less time between the design and build awards?

**Answer:** The CEC encouraged workshop participants to submit suggestions on what a more viable time frame would be but did not receive any comments. As a result, we plan to stick to the two-year timeframe between the design and build phase. Note: the schedule includes time for the Energy Commission to evaluate all Design Phase proposals, develop agreements, obtain approvals, and select projects to move on to the Build Phase. Two years ensures that each team has ample time to complete a high-quality design once funding is awarded.

1. **Question:** Can you talk a little bit more about the timeline between the design and construction applications? Two years is a long time, especially if the project is relying on the funding for the Build Phase – just with bidding and procurement. Is there any anticipation of flexibility on the construction Phase or submission timeline?

**Answer:** Projects will start at different stages and we wanted to ensure that everyone starts off on equal footing and has the opportunity to make sure they have all their design stages ready for the Build Phase. The schedule includes time for the Energy Commission to evaluate all Design Phase proposals, develop agreements, obtain approvals, and select projects to move on to the Build Phase. Two years ensures that each team has ample time to complete a high-quality design once funding is awarded.

1. **Question:** What was the rationale for nearly 2 years between Design and Build Phase starts? This is longer than most projects duration for Design Phase and would require that team to wait an extra 6-months perhaps longer before moving into construction phase resulting in additional costs to hold onto the land or ramp-down/ramp-up for project teams.

**Answer:** The schedule includes time for the Energy Commission to evaluate all design phase proposals, develop agreements, obtain approvals, and select projects to move on to the Build Phase. Two years ensures that each team has ample time to complete a high-quality design once funding is awarded.

1. **Question:** There are only about 64 working days between the April approval of Concept Applications and the July due date for Design proposals, which is insufficient time to complete Design Development drawings. Also, the extensive amount of additional design time that will be required will be at risk for the project lead and builder’s design team. How well developed do the designs need to be, for example can they be preliminary and at the Schematic Design stage for the Design Phase applications?

**Answer:** For the concept application and full application, we are not looking for thorough designs. We expect most of the detailed design work will occur over the Design Phase after teams have been selected. For concept and full application, we are interested primarily in the proposal team’s vision for the project and the approach for design and developing the project. We expect the designs to be developed during the actual Design Phase once a project has been awarded funding.

1. **Question:** At what stage of construction will Build Phase funds become available? Can the project rely on these funds early in the construction process? Is a holdback anticipated?

**Answer:** Funds for the Build Phase would become available after projects selected to move on to the Build Phase are approved at a CEC Business Meeting which is planned for August 2023.

1. **Question:** Question regarding the schedule, are there corresponding building processes to each of the deliverables, i.e., entitlements, plan check process, building permit? Is an approved entitlement package expected at the June 23rd deadline? Is a Building permit required at September 2023 deadline?

**Answer:** All necessary deliverables as part of the Design Phase are outlined in Attachment 8, Scope of Work Template, which includes deliverables that will be used to evaluate construction readiness for the Build Phase such as those you have listed. Attachment 9, Project Schedule, provides further details on schedule for these tasks.

1. **Question:** Can construction start before the Build Phase NOPA is released and can expenditures be made without jeopardizing grant payments?

**Answer:** Recipients can begin construction for the project before being approved at a CEC business meeting using non-CEC funds. However, CEC can only reimburse costs for the Build Phase which occurred during the Build Phase agreement term. Recipients cannot be reimbursed by the CEC for Build Phase work done prior to approval at a CEC Business Meeting.

1. **Question:** Very few eligible projects in California will be able to conform to this timing of this GFO. Can the Energy Commission allow multiple projects to be identified in the Concept Applications?

**Answer:** Applicants may submit multiple projects during the Concept Application Phase; however, each project must be submitted as its own application unless the projects are part of the same master plan.

1. **Question:** Most non-profit affordable housing developers utilize (tax credit) TCAC, CDLAC, AHSC and other public funding sources that have schedules that must be followed. For example, there is a requirement with some funding that construction start within 180 days of the notice of funding award. Does EPIC schedule/deadline take into account the dates for applications and for timelines for use of those other affordable housing funds or is there a provision to adapt the schedule to those other critical funding sources?

**Answer:** The CEC heard from several workshop attendees on the challenges of aligning the various public funding sources. However, we did not receive specific suggestions on how to better adapt this solicitation’s schedule for those other public funding sources. Stakeholders with specific suggestions are encouraged to submit to the following link: <https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=19-ERDD-01>