**Questions and Answers II**

**Renewable Hydrogen Transportation Fuel Production**

**GFO-20-609**

**August 25, 2021**

The following answers are based on the California Energy Commission’s (CEC’s) interpretation of the questions received. It is the applicant’s responsibility to review the purpose of the solicitation. The CEC cannot give advice as to whether or not your particular project is eligible for funding, because all proposal details are not known.

**ADMINISTRATION/PROCESS**

**Q.1:** **Is it possible for applicants to receive their scores by review category on the Pre-Application Phase?**

A.1: All applicants were given their pre-application scores by review category including feedback to the contact person listed in the pre-application form.

**Q.2:** **The anticipated CEC Business Meeting is scheduled for February 2022. Is this equivalent to the “kick-off meeting” referenced in attachment 2? When should we set the kick-off meeting in our schedule?**

A.2: The CEC Business Meeting and kick-off meeting are two separate meetings. The kick-off meeting typically occurs a few weeks to a month after the CEC Business Meeting.

**Q.3:** **Should the Table of Contents be included within the Narrative document or uploaded as a separate document?**

A.3: The Table of Contents should be included within the Project Narrative document to allow for page navigation. The number of pages for each Full Application is limited to 30 pages; however, the Table of Contents will not count towards this page limitation. Please see Section VII.C. for information on page limitations.

**ELIGIBILITY**

Q.4: **Is it acceptable for a plant to use the same core technology as a project submitted under GFO-20-608 as long as the project is owned separately, is in a separate geographical location, and meets the required minimum hydrogen production (with renewable natural gas as a co-product)?**

A.4: If the example is true that there is clear separation in ownership, location, and fuel production, then it is acceptable to utilize the same fuel production technology in two separate and distinct applications.

**Q.5:** **Will the CEC allow Applicants to propose in their Full Applications a higher daily hydrogen production capacity than what was proposed in the Abstract?**

A.5: Yes, a higher production capacity is allowable. Additional changes to the proposed project should be consistent with the passing approved pre-application abstract.

**MATCH & ELIGIBLE PROJECT COSTS**

**Q.6:** **Can subcontractors or other parties' match funding be used to meet the Applicant's minimum cash contribution requirement equal to at least 50% of the CEC funding?**

A.6: No, cash from a third party is considered to be in-kind match. Please see Section II.F.3, In-Kind Match Share of the Solicitation Manual for more details.

**Q.7:** **Should an application allocate CEC funds to a single subcontractor if expected costs are to exceed the total funds requested or spread the CEC funds to multiple subcontractors?**

A.7: Applicants are encouraged to fill out the budget based on the project's needs. However, Applicants should be aware that match funds should be expended ahead of, or concurrently with, CEC funds. Otherwise, there is no preference on the allocation as long as the costs are reasonable and justified.

**EVALUATION CRITERIA**

**Q.8:** **How should applicants address the Energy Economy Ratio (EER) needed to account for the additional energy conversion efficiency provided by fuel cells versus conventional internal combustion engines if not included in Attachment 11, Calculation Tables?**

A.8: Applicants may include the EER appropriate for the fuel being displaced and the vehicle type (light/medium/heavy-duty) when making calculations. Applicants are encouraged to include any assumptions used so that these calculations may be verified.

**Q.9:** **Can we include reference installations that use one or more of our technologies even if an integrated process design has not been commercialized?**

A.9: Applicants are encouraged to list references for the production technology(ies) of the proposed project. Applicants may provide references for technologies independently if there are no examples of those technologies being integrated.

**Q.10:** **Will the CEC issue an updated “Attachment 11 Calculation Tables” to allow projects to more accurately depict the environmental benefits of hydrogen produced for use across light-, medium-, and heavy-duty applications?**

A.10: No, the CEC will not issue an updated Attachment 11 Calculations Tables. Attachment 11 should be used to calculate fuel displacement and GHG reductions on the proposed projects. Applicants are encouraged to provide additional details on project benefits within the Project Narrative. Please see Section VII.E.4, Project Narrative of the Solicitation Manual for more information.

**Q.11:** **Are High Pollution Low Population Census Tracts eligible for the 10 points under subparagraph (a) of the Evaluation Criteria’s section for Benefits to Priority Populations? It is unclear whether these High Pollution Low Population tracts qualify under HSC § 39711(a)(1) “Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.”**

A.11: CalEnviroScreen 3.0 designates the top 25% scoring areas along with other areas with high amounts of pollution and low populations as Disadvantaged Communities. Please refer to the California Office of Environmental Health Hazard Assessment's website on SB 535 Disadvantaged Communities for more information located at: https://oehha.ca.gov/calenviroscreen/sb535.

**Q.12: For projects proposing to deploy a renewable hydrogen production facility in a High Pollution Low Population Census Tract surrounded by disadvantaged and low-income communities, are those projects automatically precluded from receiving more than ten (10) points under the Evaluation Criteria for Benefits to Priority Populations?**

A.12: Projects that are located in a High Pollution Low Population Census Tract and designated as a Disadvantaged Community would be eligible for the maximum 15 points provided it met all the other requirements for that criterion. Please refer to Section VIII.E, Full Application Evaluation Criteria of the Solicitation Manual for more information.

**Q.13:** **As we are finalizing project site location, would CEC have any issue if we were to change the project site location if we deemed it more advantageous to the expedient completion of the plant?**

A.13: The applicant is encouraged to provide a Full Application that is consistent with the passing Pre-Application Abstract. If there are major changes being proposed in the Full Application, such as a project site change, the applicant must provide an explanation on why this change was made and how this change is an improvement from the previous project site. Major changes are subject to CEC review and approval and approval is not guaranteed. Applicants are encouraged to secure site location and satisfy all concerns with CEQA compliance in a timely manner. Please see Section II.K. of the Solicitation Manual for more information.

**Q.14:** **If the Applicant is a new legal entity and not able to provide 3 years-worth of financial statements, what alternative documentation can the Applicant provide to demonstrate economic viability.**

A.14: Applicants are encouraged to provide any documentation that is available along with discussion within the Project Narrative to help demonstrate the economic viability of the applicant and project.

**Q.15:** **Page 45 of the manual requests for Applicants to “Describe how the proposed project preserves and/or enhances natural resources etc.” within the context of sustainability. Please advise if there's a particular methodology that CEC recommends to account for this.**

A.15: There is no preferred methodology for this description, but Applicants are encouraged to provide this discussion if applicable.

**Q.16:** **Page 45 of the manual requests for Applicants to “Describe how the project will result in a reduction of short-lived climate pollutants.” Please advise if there's a particular methodology that CEC recommends to account for this.**

A.16: There is no preferred methodology for this description, but Applicants are encouraged to provide this discussion if applicable.

**Q.17:** **Is the cost effectiveness calculation for GHG reduction for the fuel produced compared to diesel or does any emissions from the plant during production need to be accounted for?**

A.17: Emissions from the production facility should be accounted for in the carbon intensity of the fuel when calculating the annual and 5-year project life GHG reductions.

**MISCELLANEOUS**

**Q.18:** **What is the difference between the “production start date” and the “end date”? How much time should we give while the plant is operational before we provide the end date?**

A.18: The production start date is the date when the facility starts to produce a fuel, while the end date is the formal end of the CEC grant agreement. This solicitation includes a minimum requirement to submit at least 6 months of operational production data in all agreements resulting from this solicitation. Please see Section II.I. of the Solicitation Manual and the Scope of Work Template attachment for more information.

**Q.19:** **On the Full Application Form, do we include subcontractors we are still in negotiations with or do not yet have binding agreements with?**

A.19: Yes. Applicants should include subcontractors on the Full Application Form and, to the extent possible, include verification and documentation for all anticipated subcontractors that will directly support this project regardless of contractual status.

**Q.20:** **If we have more than 2 feedstock suppliers, should we insert more lines in the feedstock supplier section?**

A.20: Yes. Applicants may expand the "Applicant's Feedstock Supplier" section of the Full Application Form to add additional feedstock suppliers for the proposed project.

**Q.21:** **Should an applicant use CalEnviroScreen 3.0 or CalEnviroScreen 4.0?**

A.21: Applicants should use CalEnviroScreen 3.0 only. CalEnviroScreen 4.0 is currently in draft form and has not yet been finalized. In the event that CalEnviroScreen 4.0 is finalized prior to the full application submission deadline, applicants should still only utilize CalEnviroScreen 3.0.