Questions and Answers

# Zero Emission Transportation Manufacturing

# GFO-21-605

**June 1, 2022**

The following answers are based on California Energy Commission (CEC) staff’s interpretation of the questions received. It is the Applicant’s responsibility to review the purpose of the solicitation and to determine whether or not their proposed project is eligible for funding by reviewing the Eligibility Requirements within the solicitation. The CEC cannot give advice as to whether or not a particular project is eligible for funding, because not all proposal details are known.

## APPLICANT ELIGIBILITY

**Q1.** **Is eligibility judged just by having a business presence in California, or does it need to be demonstrated that all development work would be done there as well? What constitutes a “Manufacturer must have a presence in California”?**

A1. Companies new to California establishing new manufacturing operations in California are welcome to apply. But please note that to be an eligible project under this solicitation, the proposed project must be physically located in California.

For the purposes of this solicitation, the Applicant must be registered and in good standing with the California Secretary of State prior to executing an agreement with the CEC. Please see the Application Manual Section II.A., Applicant Requirements starting on page 8 for more details.

If not currently registered with the California Secretary of State, Applicants are encouraged to contact the Secretary of State’s Office as soon as possible to avoid potential delays in beginning the proposed project (should the application be successful). For more information, contact the Secretary of State’s Office via its website at [www.sos.ca.gov](http://www.sos.ca.gov).

**Q2. If the applicant company is a Delaware corporation with a business address in California, and qualified as a California business, are they eligible under this solicitation?**

A2. Yes, so long as the company is registered and in good standing with the California Secretary of State.

**Q3. If the applicant company recently merged with a California based company that makes components for Zero Emission Vehicles (ZEV), would this structure meet the criteria to have a business presence in California?**

A3. Yes. Please note that the proposal must identify which company is the prime Applicant that, if awarded, would enter into a grant agreement with the CEC.

**Q4. Can a foreign entity be an eligible applicant as long as it has a business presence in California, and it has a fully owned subsidiary registered with the California Secretary of State?**

A4. All Applicants must be registered and in good standing with the California Secretary of State prior to executing an agreement with the CEC. Please note that the proposal must identify which company is the prime Applicant that, if awarded, would enter into a grant agreement with the CEC.

**Q5. Would it be possible to merge multiple categories for a project? For example, if an Applicant has a location that performs final assembly on both ZEV and Electric Vehicle Supply Equipment (EVSE) as a complete electrification project, could we still apply under multiple categories?**

A5. Applicants can propose projects with activities that fall within two or more project categories. However, Applicants are only eligible to submit one application under this solicitation and must specify in the application form (Attachment 01) which one product category they are applying under that best fits the proposed manufacturing project. All projects must be physically located in California. Pleasesee Application Manual Section I.E, How Award is Determined and I.H., Maximum Number of Applications starting on page 3.

**Q6.** **Applicant must self-select their primary manufactured product in the application form. Does this mean Applicants are limited to propose only ONE manufactured product in the proposal?**

A6. Applicants may propose projects with activities that fall within two or more project categories. This may include manufacturing multiple products across multiple project categories. However, Applicants will be asked in the Application Form (Attachment 01) to designate one primary category from the four product categories to apply under that is most applicable to their product. Please see Application Manual Section I.E., How Award is Determined starting on page 3.

**Q7.** **How can Applicant best indicate that its proposed projects in two (or more) categories are equally significant in terms of required funding amount, its estimated deliverables, and its positive impact to the state?**

A7. It is up to the Applicant to self asses which product category is most appropriate based on their proposal. However, the Project Narrative, Budget, and Scope of Work together should make it unambiguous to the scoring team what the primary product being manufactured is.

**Q8. Can an entity with plans to upgrade multiple manufacturing facilities in California be included in the same proposal or does each facility need to be included in separate proposals?**

A8. Proposed manufacturing projects can be located in multiple project sites in California and can be submitted in one application. Please note that an Applicant can only submit one application under this solicitation. Please see Application Manual Section I.H., Maximum Number of Applications starting on Page 4.

**Q9.** **Regarding Category 1, is there a threshold that an Applicant must reach for final assembly to be considered an acceptable qualification, so long as the final assembly consists of equipment or materials unique to Zero-Emission Vehicles (ZEV)?**

A9. No. Applicants must demonstrate throughout their proposal that the manufacturing activities and scale are appropriate to meet the category description, and that it meets the solicitation goals of increasing in-state manufacturing of ZEVs, ZEV components, and ZEV infrastructure products for commercial sale.

**Q10.** **Would a startup without prior history of references be eligible to apply? How critical is it to have references? Would personal credentials of the founders and past employer references be considered valid references?**

A10. Third party references are not required to be an eligible applicant under this solicitation. However, please note that the Past Performance Screening Criterion asks that Applicants with an active or prior agreement(s) with the CEC add a reference for said agreement(s). The Past Performance Reference Form (Attachment 10) is to assist CEC staff with technical screening of applications received. Please see Section IV.A., Application Evaluation in the solicitation manual starting on page 35."

**Q11.** **The Past Performance Reference Form states that the applicant must “Provide references for CEC agreements.” Does "CEC agreements" mentioned here mean any and all money received that initially originated at the CEC, or does it just mean CEC contracts with the applicant?**

A11. CEC agreements refers to agreements executed between the CEC and the Applicant directly. If for example, the Applicant was a vendor or subcontractor in a past CEC agreement, then they are not required to include that in the Past Performance Reference Form. But if the Applicant was a major subcontractor crucial to a prior agreement, we encourage the Applicant to provide a reference for said agreement. Please see Application Manual Section IV.A.4., Applicant’s Past Performance Screening Criterion starting on page 36.

**Q12.** **If an entity has not had an agreement with the CEC over the last 10 years and/or has not had an agreement with another entity over the last five years, would they still be eligible to participate, without those references?**

A12. Yes. Any Applicant that does not have an active or prior agreement with the CEC equates to no severe performance issues and therefore would pass Applicant’s Past Performance Screening Criterion. The Past Performance Reference Form (Attachment 10) is to assist CEC staff with technical screening of applications received. Please see App. Manual Section IV.A., Application Evaluation in the solicitation manual starting on page 35.

**Q13. Can a CEC-affiliated individual serve as a reference on the Past Performance Reference Form?**

A13. Yes. For example, if the Applicant was assigned a Commission Agreement Manager (CAM) for a past CEC funding agreement, that CAM would be an appropriate reference to include in the Past Performance Reference Form.

**Q14. Applicants are required to be private and for-profit businesses. Does this preclude publicly traded companies from responding to this solicitation?**

A14. For the purposes of this solicitation, a publicly traded company is also considered a private, for-profit business and therefore eligible to apply.

**Q15.** **Can Federally Funded Research and Development Centers (FFRDC) like national labs support a prime proposal given the constraints listed for Applicants?**

A15. Manufacturing line testing, either by the applicant and/or eligible subcontractor(s), would be an eligible cost for CEC reimbursable or match share funding. An example would be a manufacturer subcontracting with an FFRDC to provide testing services that would certify a manufacturing line to meet an International Organization for Standardization standard. Please see Section II.C., Eligible Project Costs starting on page 9 for more details.

**Q16.** **Are Applicants that operate in California, but with manufacturing facilities in another state, eligible to apply?**

A16. Yes. Applicants with manufacturing or business operations outside of California are eligible to apply. Please note that costs associated with manufacturing operations outside of California will not be considered eligible costs under this solicitation. Only costs associated with manufacturing operations in California are considered eligible costs.

**Q17. Are there limitations to the types of subcontractors eligible under this solicitation?**

A17. There are no subcontractor eligibility requirements under this solicitation, although subcontractors must comply with applicable laws and be amendable to CEC terms and conditions.

**Q18.** **Would we be able to submit an application with a partnering agency? For example, could we as a ZEV manufacturer in California partner with an EVSE manufacturer in California to demonstrate interoperability for our project?**

**A18.** No. However, if an Applicant and their parent company or subsidiary wish to apply, they may do so in a joint application. Please see Application Manual Section I.H., Maximum Number of Applications starting on page 4.

Projects must directly lead to new or increased in-state manufacturing of ZEVs, ZEV components, and/or ZEV infrastructure products for commercial sale. Manufacturing/Technology demonstrations are ineligible under this solicitation as described in the Application Manual Section II.D., Ineligible Project Costs starting on page 10.

**Q19. In the case where the Applicant subcontracts the manufacturing to another California company, should the proposal include three years of financial statements from the Applicant or the subcontractor that is manufacturing the product?**

A19. Financial statements are required from the Applicant that, if awarded, would enter into a grant agreement with the CEC. Subcontractor financial statement are not required under this solicitation

## PROJECT COSTS

**Q20.** **Are components including fuel cell powertrain, hydrogen fuel tank, design and engineering of repowered system, etc. considered eligible project costs?**

A20. Project related manufacturing materials, including parts, towards the final product are eligible as Cash Match. An addendum to the Application Manual will be released on the [GFO-21-605 solicitation web page](https://www.energy.ca.gov/solicitations/2022-03/gfo-21-605-zero-emission-transportation-manufacturing) at https://www.energy.ca.gov/solicitations/2022-03/gfo-21-605-zero-emission-transportation-manufacturing to provide further detail. Please see Application Manual Addendum 1 Section II.C., Eligible Project Costs.

**Q21. Can the software limit be increased above 10 percent of CEC funds?**

A21. No. Software procured to support project related manufacturing operations are capped at 10 percent of the total CEC reimbursable amount. Please see Application Manual II.C., Eligible Project Costs on page 9 and 10 for more details. However, any costs incurred over that amount may be used as match.

**Q22. Can grant funds be used for manufacturing ZEVs for validation testing/durability refinement/compliance testing that are not for commercial sale?**

A22. Yes, but for labor costs only. Labor required in pre-production of eligible products are eligible for CEC reimbursement and Applicant match share. Please see Application Manual Section II.C. Eligible Project Costs starting on page 9.

**Q23.** **Are raw materials and parts used in the manufacturing process considered eligible project expenses?**

A23. Yes, but for match only. Raw materials and components/parts that go into the manufactured product are not eligible for CEC reimbursement. However, components/parts for the manufacturing line are eligible for CEC funding. For example, if a facility manufactures battery electric vehicles, the CEC may reimburse for components/parts that go into the manufacturing line that makes the ZEV but not the battery packs acquired by the applicant that go into the ZEV. An addendum to the Application Manual will be released on the GFO-21-605 solicitation web page to provide further detail. Please see Application Manual Addendum 1 Section II.C. Eligible Project Costs.

**Q24.** **Are materials used to certify the new manufacturing line eligible under this grant?**

A24. Yes. Project related costs, including material, associated with expanding and/or establishing the manufacturing line are eligible for CEC reimbursement and match share. Please see Application Manual Section II.C. Eligible Project Costs starting on page 9.

**Q25. Are construction costs for manufacturing facilities an allowable cost?**

A25. Costs for re-equipping, expanding, or establishing a manufacturing facility that manufactures eligible products are eligible for CEC reimbursement or as the Applicant’s match share. Building and facility modifications that support said manufacturing are also eligible for CEC reimbursement or as the Applicant’s match share. Please see Application Manual Section II.C. Eligible Project Costs starting on page 9.

**Q26.** **Is the purchase of ZEV infrastructure (e.g., charging equipment and/or hydrogen fueling equipment) that is necessary for validation and interoperability testing of manufactured ZEV products an eligible cost under this solicitation?**

A26. No. However, project costs incurred for manufacturing line validation and/or testing are eligible for CEC reimbursement or as the Applicant’s match share. Please see Application Manual Section II.C., Eligible Project Costs starting on page 9.

**Q27.** **While workforce development curriculum design does not appear to be an eligible match share cost, would the procurement of manufacturing equipment to be donated to a workforce development organization for future instruction/training enabling ZEV technology career pathways be an eligible match share and/or reimbursable cost?**

A27. Donated equipment for workforce training and development are eligible as reimbursable or match. Eligible workforce training and development costs are capped at 10 percent of the CEC award amount. An addendum to the Application Manual will be released on the GFO-21-605 solicitation web page to provide further detail. Please see Application Manual Addendum 1 Section II.C., Eligible Project Costs.

Match share funding may be in the form of cash or in-kind contributions such as donated labor hours, equipment, facilities, and other property. Please see Application Manual Section II.E., Match Funding Requirements starting on page 11.

**Q28.** **Do lease payments for manufacturing facility count as an eligible cost?**

A28. Manufacturing facility lease payments are eligible as cash match as long as the value of the contribution is based on documented fair market value or book value, prorated for its use in the project, and depreciated or amortized over the term of the project using generally accepted accounting principles (GAAP). An addendum to the Application Manual will be released on the GFO-21-605 solicitation web page to provide further detail. Please see Application Manual Addendum 1 Section II.C. Eligible Project Costs..

**Q29. Are components used in the assembly of the complete vehicles (e.g., battery, chassis) eligible costs?**

A29. Project related costs, including components, associated with expanding and/or establishing the manufacturing line are eligible for CEC reimbursement and match share. Costs for product related manufacturing materials, including parts/components towards the final product, are eligible as Cash Match. Please see Application Manual Section II.E., Match Funding Requirement page 13.

**Q30. Would utility upgrades to the manufacturing facility to support the manufacturing process qualify as an eligible cost?**

A30. Yes, manufacturing facility utility upgrades are considered an eligible cost both as CEC reimbursable and match share. Please see Application Manual Section II.C., Eligible Project Costs starting on page 9.

**Q31.** **The establishment of a manufacturing facility is listed as an eligible project cost. Could CEC funding be used towards the actual purchase of a facility?**

A31. Manufacturing facility purchases are eligible as cash match. An addendum to the Application Manual will be released on the GFO-21-605 solicitation web page to provide further detail. Please see Application Manual Addendum 1 Section II.C., Eligible Project Costs.

**Q32. Does the manufacturing facility in the proposal need to be already owned or leased at the time of proposal submission?**

A32. No. However, Applicants will need to demonstrate site control of the proposed project site such that it is clear to the review staff that the Applicant can implement their project on time. Please see Application Manual Section IV.E., Evaluation Criteria, Implementation criterion starting on page 40.

**Q33. Can employees hired prior to the NOPA be included in the proposal project scope (i.e., after NOPA)?**

A33. Yes, employees hired before the NOPA can be included in the proposals. Please note that labor classifications for employees (current or planned) need to be listed in the Proposal Budget (Attachment 05). The CEC ECAMS web page is another resource for Budget guidance and is at <https://www.energy.ca.gov/funding-opportunities/funding-resources/ecams-resources>.

**Q34. Are Project Management labor costs (e.g. employees not on the production line) eligible? For Reimbursement? Or as a Match Share?**

A34. Yes. Labor costs for manufacturing support staff are eligible for both CEC reimbursement and match share. Please note that labor costs outside of California will not be considered eligible costs under this solicitation. Only costs associated with manufacturing operations in California are considered eligible costs.

**Q35.** **The Scope of Work Instructions defines Key Personnel and Key Participants. Is it correct to include an employee of a key participant as a Key Personnel for funding calculations?**

A35. It is at the Applicant’s discretion for which Key Personnel/Participants to include in their application as the project team. However, the Applicant’s Budget Form must properly identify if the Key Personnel should be categorized under Direct Labor, or Subrecipients & Vendors. For example, if the Key Personnel is a consultant or part of a subcontractor, they would typically be categorized under Subrecipients & Vendors.

## MATCH

**Q36.** **Would product revenue count as match funding? Would cost of goods sold count as match funding?**

A36. No. Revenue and cost of goods sold are not listed in the Application Manual as eligible match. Guidance for Applicant’s match share for this solicitation is described in the Application Manual Section II.E. Match Funding Requirements, and in the Terms and Conditions Section 18.d. Match Share Requirements. For more resources on Match Funding in general, visit the CEC ECAMS web page at <https://www.energy.ca.gov/funding-opportunities/funding-resources/ecams-resources>.

**Q37. Can labor, overhead, and equipment be included in our cash match?**

A37. Yes. Expenditures for Applicant’s compensated labor hours, including allowable fringe benefit and overhead rates, travel, materials, supplies, equipment, subcontractor costs, and other miscellaneous expenditures may be claimed as cash match. Additional guidance and restrictions to match funding are described in the Application Manual Section II.E., Match Funding Requirements.

**Q38. If we won a grant from CalSEED in 2020 would that count as match funding?**

A38. Other sources of CEC funding, either directly or from a third party, are not eligible as Match. See the Application Manual Section II.E.4.a., Other Sources of CEC Funding on page 13.

**Q39. Still a little confused on what exactly counts as match funding. Would this mainly be investments from investors, loans, or grants? How far back do we need to have gotten the investment from investors?**

A39. “Match funding” or “match share” means cash or in-kind (non-cash) contributions provided by the Applicant/Recipient, subcontractors, or other parties that will be used in the performance of the proposed project. Additional guidance and restrictions to match funding are described in the Application Manual Section II.E., Match Funding Requirements, and in the Terms and Conditions Section 18.d. Match Share Requirements. For more resources on Match Funding in general, visit the CEC ECAMS web page at <https://www.energy.ca.gov/funding-opportunities/funding-resources/ecams-resources>.

Please note that eligible match costs can only occur after the issuance of the solicitation’s Notice of Proposed Award. Such expenditures are at the Applicant’s risk until an agreement with the CEC is formally executed.

**Q40. Can staff confirm that [property] depreciation is calculated based on the "initial acquisition cost" of the property, not the current fair market value?**

A40. Yes. However, the property valuation will need to be documented by the applicant to support the initial acquisition costs as well as the method of depreciation. Please see Section II.E.4., Match Funding Restrictions starting on page 13.

**Q41. If the applicant purchases new manufacturing equipment for the project as match share, is 100% of the purchase price of the equipment considered as match share or only a percentage of the purchase price prorated for its use in the project considered match share? For example, if a new equipment is budgeted for $1M, asking for CEC expense at 50% ($500,000) and applicant pays the remaining 50% ($500,000), is the entire $500,000 paid by the applicant considered as match?**

A41. Acquisition of Manufacturing equipment is eligible for both CEC reimbursement and as Match share. Equipment costs eligible for reimbursement/match is based on documented market values or book values, prorated for its use in the project, and depreciated or amortized over the term of the project using generally accepted accounting principles. In the example provided (assuming the purchased equipment was acquired entirely for the proposed project), 50 percent of the manufacturing equipment cost could be allocated towards CEC reimbursable and the remaining towards match.

**Q42. Is direct labor cost (paystub) paid to the employees who work in this project considered towards cash match (10% requirement) or in-kind match?**

A42. Direct Labor can be used to meet the cash match requirement of 10 percent.

## PROJECT ELIGIBILITY

**Q43. Do Zero Emission Agricultural Vehicles & Equipment qualify as "Off-Road" vehicles under the eligibility scope?**

A43. Yes. For the purposes of this solicitation, a battery electric or fuel cell electric agricultural vehicle is considered a ZEV. Applicants must self-categorize in the application form if their proposal is a Category 1 Complete ZEV, or Category 3 ZEV and ZEV Infrastructure Component. Please note that the final manufactured product must be for commercial sale.

**Q44.** **Would a project that will build pilot production lines to develop new manufacturing processes for ZEV components, but where the output components from the pilot lines are not installed in a ZEV that is for commercial sale, qualify as an eligible project?**

A44. No. Projects must directly lead to new or increased in-state manufacturing of ZEVs, ZEV components, and/or ZEV infrastructure products for commercial sale. Manufacturing pilot projects are ineligible under this solicitation. Please see Application Manual Section II.D. "Ineligible Project Costs" starting on page 10.

**Q45.** **Would manufacturing ZEV or ZEV infrastructure batteries from recycled batteries be eligible? If so, what product category would that fall under?**

A45. Yes. So long as the final manufactured products are for commercial sale, Category 4 for battery manufacturing may include projects where the battery materials used are from recycled sources.

**Q46.** **Would a project such as ZEV battery recycling qualify under one of the existing categories?**

A46. No. Battery recycling, as a stand-alone project, is not eligible under this soliciting.

**Q47.** **Would electric motor manufacturing be eligible? If so, what product category would that fall under?**

A47. Yes. For the purposes of this solicitation, electric motors that are an integral component to a Complete ZEV are considered a ZEV component and are therefore eligible under Category 3 ZEV and ZEV infrastructure components. Please see Section II, Project Requirements starting on page 8.

**Q48.** **Are there any limitations on the type of electric vehicles under category 1, Complete ZEV?**

A48. For the purposes of this solicitation, a Category 1 Complete ZEV refers to a complete and vertically integrated vehicle that produces zero exhaust emissions of criteria pollutants or greenhouse gases. Said vehicles can be light-, medium-, or heavy-duty zero-emission vehicles (ZEVs). The ZEV can be an on-road or off-road plug-in battery-electric vehicles or fuel cell electric vehicles. Micro-mobility devices such as e-bikes, electric scooters, electric skateboards, etc. are ineligible under this solicitation. An addendum to the Application Manual will be released on the GFO-21-605 solicitation web page to provide further detail. See Application Manual Addendum 1 Section II.D., Ineligible Project Costs.

**Q49. Would a recharging station for EVs qualify?**

A49. The manufacture of EVSE (i.e., the equipment at a charging station that delivers electricity to a plug-in battery electric vehicle) are eligible under this solicitation. Please see Section II, Eligibility Requirements starting on page 8. Please note that installation, commissioning, and/or testing of charging stations are ineligible under this solicitation.

**Q50. Is EVSE installation a reimbursable expense? If not, would the chargers alone be a qualified project cost?**

A50. No. Installation, commissioning, and/or testing of ZEV Infrastructure (including EVSE) are ineligible under this solicitation. Please see Application Manual Section II.D. "Ineligible Project Costs" starting on page 10.

**Q51.** **Are hydrogen refueling retrofits eligible for funding?**

A51. For the purposes of this question, retrofits/retrofitting is the act of adding a component or accessories to equipment/vehicle that was not there during manufacture. In this case, hydrogen refueling station equipment (HRSE) retrofits are not eligible. HRSE servicing, installation, commissioning, and testing are also not eligible under this solicitation. However, projects that manufacture HRSE are eligible. See Section II Eligibility Requirements starting on page 8 for more details.

**Q52.** **Can category 1 funds be used for zero emission airport ground support equipment?**

A52. Yes. For the purposes of this solicitation, a battery electric or fuel cell electric ground transport vehicle is considered a ZEV. Applicants must self-categorize in the application form if their proposal is a Category 1 Complete ZEV, or Category 3 ZEV and ZEV Infrastructure Component. Please note that the final manufactured product must be for commercial sale.

**Q53. Is setting up production in another state or internationally eligible?**

A53. No. Proposed projects in response to this solicitation must be physically located in California. Applicants with manufacturing operations outside of California are eligible to apply, but costs associated with manufacturing operations outside of California will not be considered eligible costs under this solicitation.

**Q54. Do the manufactured vehicles have to be for sale or can they be offered on a sale of service basis?**

A54. The final manufactured product(s) must be for commercial sale. Whether that commercial sales strategy is retail or service-based does not affect eligibility. However, the Applicant must describe how the manufactured technology is expected to compete with incumbent technologies, services, and/or products in the marketplace. Please see Section III.F.4.F., ZEV Market and Community Benefits starting on page 28.

**Q55.** **Can category 2 funds be used for a detachable hydrogen fuel tank for fuel cell electric vehicles (FCEV) cargo handling equipment/airport ground support equipment?**

A55. For the purposes of this solicitation, in-state manufacturing of hydrogen fuel tanks for FCEV and HRSE is considered an eligible product and a component under Category 3 ZEV and ZEV infrastructure components.

**Q56.** **Is there any requirement for percentage of locally or USA made parts for a vehicle?**

A56. No. However, all else being equal, projects that expand opportunities for California supply chain partners will score higher under the ZEV Market and Community Benefits criterion shown in the Application Manual Section IV.E., Evaluation Criteria starting on page 41.

**Q57.** **What does "manufacturing in CA" mean in terms of getting inputs from other states or internationally?**

A57. Proposed projects in response to this solicitation must be located in California, but there is no requirement that manufacturing materials and other inputs be sourced from California. However, all else being equal, projects that expand opportunities for California supply chain partners will score higher under the ZEV Market and Community Benefits criterion shown in the Application Manual Section IV.E., Evaluation Criteria starting on page 41.

**Q58.** **Do we have to have our California manufacturing license prior to applying?**

A58. There are no manufacturer licensing requirements under this solicitation. However, the Applicant must be registered and in good standing with the California Secretary of State prior to executing an agreement with the CEC , and should consult with their legal counsel to determine the applicability of any relevant laws and regulations that may be triggered while participating in this solicitation. For more information on California Secretary of State For more information on California Secretary of State registration requirements, please see their website at [www.sos.gov](http://www.sos.gov).

**Q59.** **Are there any minimum manufacturing labor inputs from California, or is a high robotics and automation setup eligible?**

A59. There is no minimum amount of labor required under this solicitation. However, all else being equal, projects that result in a net increase in direct/indirect jobs would score higher under the ZEV Workforce Plan criterion described in the Application Manual Section IV.E., Evaluation Criteria starting on page 41.

**Q60.** **Does the solicitation only include automotive vehicles, or would an electric vertical takeoff and landing vehicle for aviation also be eligible? Would [aviation] vehicles be considered a ZEV?**

A60. For the purposes of this solicitation, a battery electric or fuel cell electric aviation vehicle is considered a ZEV. Applicants must self-categorize in the application form if their proposal is a Category 1 Complete ZEV, or Category 3 ZEV and ZEV infrastructure component. Please note that the final manufactured product must be for commercial sale.

**Q61. Is hydrogen production equipment eligible for funding?**

A61. The manufacture of hydrogen production equipment (i.e., electrolyzers, chillers, compressors, H2 storage tanks, nozzles, etc.) are eligible for funding IF they will be an integrated part of a HRSE product. Hydrogen production equipment manufacturing, as stand-alone projects, are not eligible under this solicitation. Please note that installation, commissioning, service, maintenance, and/or testing of hydrogen production equipment are also not eligible under this solicitation. An addendum to the Application Manual will be released on the GFO-21-605 solicitation web page to provide further detail. Please see Application Manual Addendum 1 Section II.B., Project Requirements under Category 2.

**Q62.** **Would Category 1 include the assembly/partial manufacture of zero emission forklifts?**

A62. For the purpose of this solicitation, a battery electric or fuel cell electric forklift is considered a ZEV. If not a complete and vertically integrated ZEV (i.e., partial manufacturing, final assembly, kits, etc.), consider Category 3 ZEV and ZEV infrastructure components as a product category.

**Q63.** **We've developed a product for home EV charging installation that makes it easier and more affordable for home renters and homeowners to install charging without expensive panel upgrades. The product also has a vehicle grid integrated software connected to it for carbon aware charging and Time of Use charging. Would this be something that would qualify under Category 2?**

A63. Software and firmware development for Vehicle Grid Integration (VGI) are not eligible under this solicitation. However, for hardware products, Category 2 may include VGI hardware and equipment. Category 3 may include VGI components (such as semiconductor chips, transfer switches, islanding devices, adapters, etc.) that are an integral component to the VGI hardware and equipment.

**Q64.** **Our R&D team is developing battery technology that qualifies under Category 4 – would we qualify if we apply under the private, parent company?**

A64. No. Projects must directly lead to new or increased in-state manufacturing of ZEVs, ZEV components, and/or ZEV infrastructure products for commercial sale. Research and Technology demonstration or pilot projects are ineligible under this solicitation. Please see Application Manual Section II.D., Ineligible Project Costs starting on page 10.

**Q65.** **Does the product/project need to be at a certain lifecycle milestone (proof of concept, prototype, pilot, etc.) at the time of application?**

A65. There are no lifecycle milestone criteria under this solicitation. However, the Applicant must demonstrate throughout their application that the proposed project will manufacture products before the end of the agreement term that are ready for commercial sale. Please note that costs for technology research, technology development, or technology demonstration activities are not eligible under this solicitation. Please see Application Manual Section II.D., Ineligible Project Costs starting on page 10.

**Q66. Are HRSE systems that can refuel multiple FCEV trucks and cargo handling equipment eligible under Category 2?**

A66. Yes. In-state manufacturing of complete commercial HRSE that provide hydrogen fuel to power a fuel cell electric vehicle are considered ZEV infrastructure and are eligible under this solicitation. Please note that installation, commissioning, and/or testing of HRSE are ineligible. Please see the Application Manual Section II., Eligibility Requirements starting on page 8.

**Q67. Would Printed Circuit Board Assemblies (PCBAs) and components (enclosures etc.) that go into an EVSE fall under Category 3: ZEV and ZEV infrastructure components, where the manufactured or final product is an integral component of an EVSE, HRSE, and/or VGI system?**

A67. Yes. PCBAs and other EVSE subcomponents are considered ZEV Infrastructure components and are therefore eligible under this solicitation under Category 3.

**Q68. Can you clarify the term “off-board” in Category 2, “****a complete off-board EVSE”?**

A68. For the purposes of this solicitation, off-board refers to the hardware outside of the battery electric vehicle. An example of a complete off-board EVSE would be a direct current fast charger typically found at electric vehicle charging stations. This is separate from the onboard chargers found inside battery electric vehicles that convert alternating current into direct current for the battery.

**Q69. Is repowering of existing diesel-powered airport ground support equipment (GSE) to hydrogen fuel-cell powered GSE an eligible project cost?**

A69. Yes. Project costs associated with establishing manufacturing operations that convert internal combustion engine vehicles into ZEVs are eligible under this solicitation. Projects must directly lead to new or increased in-state manufacturing of ZEVs for commercial sale. Please see Application Manual Section II.C., Eligible Project Costs starting on page 9.

**Q70. Is equipment re-manufacturing eligible under this solicitation?**

A70. Yes. Projects that directly lead to new or increased in-state manufacturing of ZEVs, ZEV components, and/or ZEV infrastructure products for commercial sale are eligible under this solicitation. Applicants must self-categorize in the application form which product category is most applicable to their proposed manufacturing project. Please see the Application Manual Section II., Eligibility Requirements starting on page 8.

**Q71. Can the project completion or due date be set to the groundbreaking date of a newly proposed Manufacturing Facility?**

A71. No. Applicants must collect a minimum of 6 months of project and operations data to meet the Data Collection and Analysis requirement for the final report. Please see the Attachment 2 Scope of Work, Task DATA COLLECTION AND ANALYSIS starting on page 12.

**Q72.** **Are testing services or test labs for electric vehicle (EV) cars and batteries eligible under this solicitation?**

A72. Not as a primary Applicant. Battery electric vehicle and battery testing services, as a stand-alone project, are not eligible under this solicitation. However, manufacturing line testing by eligible Applicants or their subcontractors is an eligible cost for CEC reimbursable or match share funds. Please see Section II.C., Eligible Project Costs starting on page 9.

## SCORING

**Q73. Will exceeding the minimum match requirement improve an application’s score?**

A73. No. Applications must include a minimum 50 percent match share of the total allowable project costs (which is the sum of CEC reimbursable share and Recipient’s match share) to be considered for funding. Applicants may include more match in their proposal, but no additional points will be awarded for doing so.

**Q74.** **When considering locating a factory or manufacturing site in a disadvantaged community, do SB 535, AB 1550, and Tribal Lands count as disadvantaged? If so, is there a hierarchy in scoring for different communities?**

A74. Yes. All else being equal, projects that directly benefit disadvantaged, low-income communities, and tribal communities would score higher in the ZEV Market and Community Benefits criterion and/or ZEV Workforce Plan criterion described on Section IV.E., Evaluation Criteria starting on page 41. However, there is no hierarchy in scoring different types of communities.

**Q75. Does a property adjacent to a disadvantaged community still count as a disadvantaged community?**

A75. Yes, so long as the Project Narrative describes how the project directly benefits communities and workers from disadvantaged communities, low-income communities, and tribal lands. Please see the ZEV Market and Community Benefits criterion and ZEV Workforce Plan criterion described in Section IV.E., Evaluation Criteria starting on page 41.

**Q76. Is there a scoring preference between in-kind and cash match?**

A76. No. Match is used for Technical Screening and not proposal scoring. Please see Application Manual Section IV.A.3., Technical Screening Criteria on page 36.

**Q77.** **Regarding past CEC grant experience, if the project team does not have past CEC grant experience or performance, will it negatively impact the Applicant’s score?**

A77. No. Any Applicant that does not have an active or prior agreement equates to no severe performance issues and therefore should pass this screening criteria. Please see Application Manual Section IV.A.4., Applicant’s Past Performance Screening Criterion starting on page 36.

**Q78.** **Do recruiting activities for staff held in underserved communities qualify under either section III.F.4.F. or III.F.4.G of the solicitation?**

A78. Workforce recruiting in underserved communities should be described in the proposal’s Project Narrative as described in the Application Manual Section III.F.4.G., ZEV Workforce Plan starting on page 29.

**Q79.** **Can staff please clarify what is meant by “site control” in the Application Manual? Does CEC have specific documents or criteria on how an Applicant can demonstrate site control?**

A79. For the purposes of this solicitation, site control refers to the Applicant’s ability to implement their proposed project on their proposed project site. Examples of documentation that demonstrate site control include, but are not limited to, site lease/purchase agreements, building plans, building permits, CEQA determinations, etc. It is at the Applicant’s discretion for how to demonstrate site control in the Project Narrative.

**Q80.** **Can staff please clarify what is meant by “*Demonstrate that administrative and overhead expenses are minimized*” in the Application Manual? Does CEC have specific methods, documents, procedures, or criteria on how and Applicant can demonstrate this?**

A80. It is at the Applicant’s discretion on how much administrative and overhead expenses (dollar amount and/or rates) to include in a proposal budget. For more information on budget categories, see the CEC ECAMS Resource Page at <https://www.energy.ca.gov/funding-opportunities/funding-resources/ecams-resources>.

**Q81.** **How will CEC consider jobs retained by existing California manufacturers when scoring and evaluating the ZEV Workforce Plan?**

A81. It is at the Applicant’s discretion on how to address the ZEV Workforce Plan criterion. Please note that the scoring team is not only looking at direct jobs created from the proposal, but also job-quality of the retained workforce and other criteria. Please see Application Manual Section III.F.4.G., ZEV Workforce Plan on page 29 and Section V.A., Definition of Key Words starting on page 44.

**Q82.** **For the business operations criterion (in confidential volume) section of the proposal, if a California corporation as an applicant has less than three years’ financial statements, can the California corporation provide its own financial statements (less than 3 years) as well as provide its parent’s financial statement (more than 3 years) to reflect the true financial strength of the applicant?**

A82. An Applicant and their parent company or subsidiary can apply jointly as a single Applicant. In this instance, the Applicant can include financial statements of the parent company/subsidiary to be considered under the Business Operations criterion. Please see Application Manual Section I.H., Maximum Number of Applications on page 4.

**Q83.** **If the Applicant does not currently have three years of audited financial statements, but is working with their accountant to get them developed, would the Applicant receive additional partial points for this scoring criteria if it describes in the narrative its process for securing audited financial statements in advance of entering into contract with the CEC?**

A83. We cannot comment on a potential proposal score without reviewing the full proposal. However, all else being equal, audited and certified financial statements will be scored higher; and, unaudited and/or non-certified financial statements will be scored lower. Please see Application Manual Section III.F.4.E., Business Operations starting on page 27.

**Q84.** **How does the CEC recommend an Applicant address improvements and upgrades to property/buildings that are leased, not owned, by the Applicant? Is a proposal for a project to be deployed at a facility operated under a long-term lease less competitive than one proposed for a wholly owned site?**

**A84.** Under this solicitation there is no preferential scoring if the Applicant has a long-term lease versus a wholly owned manufacturing facility. Re-equipping, expanding, or establishing a manufacturing facility that manufactures eligible products are eligible for CEC reimbursement or as the Applicant’s match share. Building and facility modifications that support said manufacturing are also eligible for CEC reimbursement or as the Applicant’s match share. Please see Application Manual Section II.C., Eligible Project Costs starting on page 9

**Q85. Is there a preference for award size?**

A85. No. However, for proposal scoring purposes the Applicant will be asked to describe how the proposed budget is cost-effective and appropriate as described in the Application Manual Section III.F.D, Budget starting on page 26. Also note there is a minimum and maximum grant award amount per application set under this solicitation as described in the Application Manual Section I.G., Minimum-Maximum Award Amounts starting on page 4.

## CONFIDENTIAL INFORMATION

**Q86. Can confidential information referenced in the Project Narrative without a specific figure (for example the number of products at which breakeven or scale occurs) be provided in the confidential spreadsheet and referenced without a specific figure in the Narrative?**

A86. Yes. The Project Narrative must not contain confidential information, but it can reference information from the confidential volume to support statements made. Please note that only Business Operations-related financial documents may be provided as confidential information if submitted as a separate, clearly labeled volume of the Application. Please see Application Manual Section III.E., Confidential Information starting on page 21.

**Q87.** **Are there any provisions to retain confidential information past 7 years? If the applicant can obtain a court order, can this information be redacted for a longer period of time?**

A87. No. Please see Application Manual Section III.E., Confidential Information starting on page 21, which states that properly labeled confidential information “will be kept confidential by the CEC, pursuant to California Government Code sections 6254(k) and 6254.15 unless the CEC is ordered to release it by a court or other entity with jurisdiction over the issue or the information otherwise becomes public . . . from receipt to seven (7) years following the posting of the NOPA, after which time the records will become public." The CEC cannot advise on hypothetical judicial mechanisms but complies with valid law.

**Q88. Certain information which would be provided under this grant application would still be considered to be a trade secret or otherwise highly confidential by the applicant at this seven-year [confidentiality] timeframe (such as a private company’s financial statements or manufacturing blueprints). Can you please clarify what process shall be used for such information for which public release provides no public value and for which public release would produce irreparable harm to the applicant?**

A88. The CEC is a state agency and can be subject to public records act requests for documentation related to any CEC funded project. Documents labeled as confidential may be kept from public records act requests if the documentation is confidential. After seven (7) years following the posting of the NOPA, the records will become publicly available upon request.

## MISCELLANEOUS

**Q89. Is there the possibility of this grant program becoming a recurring program, beyond the two years currently funded?**

A89. We do not have this information at this time. Any future CEC manufacturing grant funding opportunities will be announced on our funding page at <https://www.energy.ca.gov/funding-opportunities/solicitations>. To be involved with future funding plans please visit our Clean Transportation Program advisory board page at <https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program/advisory-committee-clean-transportation>. To receive updates, subscribe at <https://public.govdelivery.com/accounts/CNRA/signup/31719> and click on the Clean Transportation Program under the Transportation Energy Topics.

**Q90. How many grants are expected?**

A90. At this time, the number of grants to be approved is still unknown. Proposed grant awards from this solicitation will be publicly announced in the Notice of Proposed Award. The notice will be posted on our solicitation page at

<https://www.energy.ca.gov/solicitations/2022-03/gfo-21-605-zero-emission-transportation-manufacturing>.

**Q91.** **How can we access the pre-application workshop recording for future reference?**

A91. The recording and presentation slides are available in the GFO-21-605 pre-application web page at <https://www.energy.ca.gov/event/funding-workshop/2022-04/pre-application-workshop-gfo-21-605-zero-emission-transportation>. The written Q&A document will be posted in the GFO-21-605 solicitation web page at <https://www.energy.ca.gov/solicitations/2022-03/gfo-21-605-zero-emission-transportation-manufacturing>.

**Q92. If we submit a question now, do we have to wait until the Q&A document is released in mid-May to get an answer?**

A92. The Q&A document was released on June 1, 2022. Please visit the GFO-21-605 solicitation web page for more details.

**Q93.** **Recognizing uncertainty around supply chain challenges, would the CEC recommend having more Critical Project Reviews (CPR) throughout the permitting, procurement, and commissioning processes?**

A93. At least one CPR is required for each proposal. It is up to the Applicant to identify the appropriate number of CPRs for their proposal.

**Q94. How much of a challenge is it to get this grant without having too many California-based suppliers?**

A94. There is no requirement under this solicitation that materials and other inputs be sourced from California-based suppliers. However, all else being equal, projects that expand opportunities for California supply chain partners will score higher under the ZEV Market and Community Benefits criterion shown in the Application Manual Section IV.E., Evaluation Criteria starting on page 40.

**Q95. Is there a standard format, or shell document, Staff can supply applicants to format their responses?**

A95. Document templates can be found in the solicitation web page. Some documents, like the Project Narrative for example, will need to be created by the Applicant. Please see the Application Manual Section III.F., Applicant Organization table shown on page 22.

All applications submitted under this solicitation must be typed or printed using a standard 11‑point font, single-spaced and a blank line between paragraphs. Pages must be numbered, and sections titled and printed back-to-back.

**Q96. The Solicitation Terms and Conditions (Exhibit C) states that CEC may issue a “Stop Work” order that require the recipient to stop all or any part of the work tasks in this Agreement. Is this period of “Stop Work” indefinite? Are the costs incurred from temporarily halting the work reimbursable?**

A96. Stop Work orders issued by the CEC staff require a recipient to stop all or any part of the work tasks in this Agreement and can only be lifted upon receipt of written instructions from CEC staff. It is at the grant recipient’s discretion if other manufacturing/business operations should stop during a Stop Work order.

Costs incurred by an applicant during a Stop Work order are not eligible for CEC reimbursement or match share.

**Q97. The Solicitation Terms and Conditions (Exhibit C) Section 17.e, Release of Funds states “the CAM will not process any payment request during the Agreement term until the following conditions have been met: [inter alia] All required reports have been submitted and are satisfactory to the CAM…”** **The Scope of Work details ongoing reports (including a Final Report) that are required to be submitted routinely. If ALL reports are needed, then is it correct to understand that reimbursement funds are not going to be released on an incurred cost basis? Meaning, does the Applicant have to front the cost of the entire project before the CEC will review and reimburse the project cost.**

A97. No. Payment request for eligible costs may be requested at any time once an agreement with the CEC is executed. Payment requests can still be processed if Scope of Work deliverables (i.e., Quarterly progress, monthly calls, etc.) are past-due/pending, so long as it is agreed upon between the grant recipient and the CAM. However, if for example project deliverables and quarterly progress reports are consistently late/poor quality, this may delay payments from the CEC.

Please note that it is the CEC policy to retain 10 percent of any payment request. After the project is complete the Recipient must submit a completed payment request form requesting release of the retention. The CAM will review the project file and, when satisfied that the terms of the funding Agreement have been fulfilled (project deliverables completed, final report is satisfactory, completed data collection, etc.), will authorize release of the retention.

**Q98. Should the executive summary and table of contents be submitted in the same document as the narrative or as individual documents?**

A98. The executive summary must be included with the project narrative. The cover page, table of contents, executive summary, and project narrative can be in one document file. Only the project narrative portion is limited to a maximum of 30 pages. Please see the Application Manual, Section III.F., Application Organization starting on page 22.

**Q99. Once a budget is submitted as part of the application process, what is the procedure for transferring allocated funding from one accounting bucket or category to another based on actual needs during project completion?**

A99. Applicants that move on to become grant recipients will be assigned a CEC CAM. The CAM will work with the grant recipient to develop a more detailed Agreement Budget.