**GRANT FUNDING OPPORTUNITY**

**FOOD PRODUCTION INVESTMENT PROGRAM**

**2022**



**GFO-22-303**

<http://www.energy.ca.gov/contracts/index.html>

**State of California**

**California Energy Commission**

November 2022

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Attachments**   | Attachment Number | Title of Section | | --- | --- | | A | Application Submittal Checklist | | 1 | Application Form ***(requires signature)*** | | 2 | Project Narrative | | 3 | Scope of Work | | 4 | Project Schedule | | 5A | Prime Budget | | 5B | Subcontractor Budget | | 6 | CEQA Compliance Form | | 7 | Contact List | | 8 | Commitment and Support Letters ***(require signature)*** | | 9 | FPIP Benefits Calculator | |

# I. Introduction

## NOTE ABOUT SIGNATURES

The California Energy Commission (CEC) may have waived the requirement for a signature on application materials for this solicitation for electronic submissions. If a notice regarding CEC’s waiver of the signature requirement appears here: <https://www.energy.ca.gov/funding-opportunities/solicitations>, the waiver applies to this solicitation. In the event of a conflict between the notice and any language in this solicitation regarding signatures, the notice will govern.

Even if the requirement for signatures has been waived, applicants are still expected to adhere to the requirements of this solicitation as if they had signed.

**NOTE:** This solicitation is for the **Food Production Investment Program (FPIP),** and the solicitation documents are different and unique. Please do not use attachments from other CEC grant solicitations (i.e., EPIC and Gas Research and Development research programs).

## Purpose of Solicitation

Food production costs generally tend to be higher in California than elsewhere, and California’s food processing industry faces stiff out-of-state and international competition.

Providing support for updating and improving food production facilities with energy efficient and/or renewable energy technologies will reduce operating costs and greenhouse gas (GHG) emissions. This support can help ensure California’s food processing industries remain competitive and operational and that the jobs associated with food production remain in California.

The CEC established the Food Production Investment Program (FPIP) in 2018, initially funded by Assembly Bill (AB) 109 (Ting, Chapter 249, Statutes of 2017), with additional funds from Senate Bill (SB) 856 (Chapter 30, Statutes of 2018). Funding for the program comes from the California Climate Investments (CCI) program. The CCI program requires that all funded projects reduce GHG emissions and further the purposes of AB 32 (AB 32, Nunez, Global Warming Solutions Act of 2006, Chapter 488, 2006) and SB 32 (SB 32, Pavley, California Global Warming Solutions Act of 2006, Chapter 249, 2016).

The program's goals are to accelerate the adoption of advanced energy efficiency and renewable energy technologies at California food processing plants, demonstrate their reliability and effectiveness, help California food processors work towards a low-carbon future, and benefit priority populations. The technologies to be funded by this Grant Funding Opportunity (GFO) will help reduce energy costs, maintain product quantity and quality, and reduce GHG emissions associated with food production.

**The FPIP is open to all California food processors, as defined in Section II.A.**  All projects funded under FPIP must reduce GHG emissions, further the purposes of AB 32 and SB 32, and be located in California as a food processing plant.

The FPIP will assist California food producers in achieving the following in their facilities:

* **Modernization:** Supporting adoption of commercially available, energy-efficient equipment upgrades that are “drop-in ready” replacements or additions to existing equipment or processes that provide greater GHG emission reductions than current best practices or industry-standard equipment.

This solicitation is consistent with the FPIP Guidelines (Guidelines) that the CEC adopted on May 9, 2018, and updated on July 15, 2019. The Guidelines provide details on how the CEC will administer the FPIP and include information on program design, project selection, administrative requirements, project tracking and metrics, and reporting. The Guidelines can be downloaded at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=229188&DocumentContentId=60586>

See Part II of this solicitation for project eligibility requirements. Applications will be evaluated as follows: Stage One proposal screening and Stage Two proposal scoring. If an applicant submits multiple applications, each application must be for a distinct project (i.e., no overlap with respect to the tasks described in the Scope of Work).

Prospective applicants looking for partnering opportunities for this funding opportunity should register on the CEC’s Empower Innovation website at [www.empowerinnovation.net](../www.empowerinnovation.net)

## Key Words/Terms

|  |  |
| --- | --- |
| **Word/Term** | **Definition** |
| AB | Assembly Bill |
| Applicant | The food processor that submits an application to this solicitation. |
| Application | An applicant’s written response to this solicitation. |
| Authorized Representative | *Authorized Representative*, the person signing the application form who has authority to enter into an agreement with the CEC. |
| California-Based Vendor(s) | A vendor that has the equipment manufactured in or has a distribution center in California. |
| CAM | *Commission Agreement Manager,* the person designated by the CEC to oversee the performance of an agreement resulting from this solicitation and to serve as the main point of contact for the Recipient. |
| Capped Facility | These are facilities that annually emit more than 25,000 metric tons of CO2e. For a recent list, refer to Cap and Trade Program, Vintage Allowance Allocation at <https://ww2.arb.ca.gov/our-work/programs/cap-and-trade-program/allowance-allocation>. |
| CAO | Commission Agreement Officer |
| CARB | California Air Resources Board |
| CCI | *California Climate Investments*, an umbrella term and associated logo developed for the purpose of communication with funding recipients and the general public to identify programs or projects funded in whole or in part by the GGRF. For information, visit: [www.caclimateinvestments.ca.gov](http://www.caclimateinvestments.ca.gov) |
| CEC | State Energy Resources Conservation and Development Commission or the California Energy Commission. |
| CEQA | California Environmental Quality Act, California Public Resources Code Section 21000 et seq. |
| CO2e | Carbon dioxide equivalent |
| Days | *Days* refer to calendar days*.* |
| Disadvantaged Community | These are communities designated pursuant to Health and Safety Code Section 39711 as representing the top 25% scoring census tracts from CalEnviroScreen along with other areas with high amounts of pollution and low populations as identified by the California Environmental Protection Agency. <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40> |
| Entity | The legal name of the owner of the food production plant(s) where the grant-funded technologies will be installed. |
| FPIP | Food Production Investment Program |
| GFO | Grant Funding Opportunity |
| GGRF | Greenhouse Gas Reduction Fund |
| GHG | Greenhouse gas |
| Guidelines | Food Production Investment Program Guidelines explain how the California Energy Commission’s program will be administered and outline terms and definitions. This document can be downloaded at: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=229188&DocumentContentId=60586> |
| GWP | Global Warming Potential |
| Low-Income Community | *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/state-and-federal-income>) |
| M&V | Measurement and verification |
| Mandatory Reporting | Reporting of greenhouse gas (GHG) emissions by major sources is required by the California Global Warming Solutions Act of 2006 (AB 32). The Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR) is applicable to electricity generators, industrial facilities, fuel suppliers, and electricity importers. The MRR program requires annual reporting of GHGs from sources that emit greater than 10,000 metric tons of CO2e. For more information, visit: <https://ww2.arb.ca.gov/mrr-data> |
| NAICS | *North American Industry Classification System* is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. Eligibility for FPIP is limited to food processing facilities defined by NAICS codes 311 and 3121. |
| NOPA | *Notice of Proposed Award,* a public notice by the CEC that identifies award recipients. |
| Plant | A food production facility. |
| Principal Investigator | The technical lead for the applicant’s project, who is responsible for overseeing the project; in some instances, the Principal Investigator and Project Manager may be the same person. |
| Priority Populations | Priority populations include residents of: (1) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (2) census tracts identified as low-income per AB 1550; or (3) a low-income household per AB 1550. |
| Project | A technology or a portfolio of technologies installed in one or more food processing plants that is contained in a grant application. |
| Project Manager | The person designated by the applicant to oversee the project and to serve as the main point of contact for the CEC. |
| Subcontractor | An entity or individual that contributes financially or otherwise to the project (e.g., match funding, provision of a test, demonstration or deployment site), and does not receive CEC funds. |
| Recipient | An entity receiving an award under this solicitation. |
| SB | Senate Bill |
| Solicitation | This entire document, including all attachments, exhibits, any addendum and written notices, and questions and answers (“solicitation” may be used interchangeably with “Grant Funding Opportunity”). |
| State | State of California |
| Tier | The specific funding group as described in this solicitation. |
| Waste Heat | *Waste Heat* refers to heat that is present downstream of an industrial process and is typically vented into the atmosphere and wasted. Sources of waste heat may include heat generated to support thermal processes, heat rejected from mechanical processes, and heat from exothermic chemical processes. |
| Waste Heat to Power | *Waste Heat to Power* refers to systems that capture waste heat and convert it to electricity for on-site use. |

## Project Focus

This solicitation will focus on Tier I projects. Tier I projects will install commercially available, energy-efficient equipment upgrades as drop-in replacements or additions to current systems, processes, and existing equipment. These projects can result in greater GHG emission reductions and higher efficiency than current best practices and industry standards.

Eligible technologies for Tier I are listed in Section II.B.1.

## Funding

1. **Amount Available and Minimum/ Maximum Funding Amounts**

There is **close to $7 million** available for grants awarded under this solicitation. The total, minimum, and maximum funding amounts are listed below.

| Tier | Available funding | Minimum award amount | Maximum award amount | Minimum match funding  (% of FPIP Funds Requested) |
| --- | --- | --- | --- | --- |
| I | $7,000,000 | $100,000 | $6,000,000 | 35% of eligible costs |

Eligible costs covered by the grant are equipment and measurement and verification (M&V) of project performance. M&V costs will be reimbursed by the grant only when outside parties are used. Use of in-house staff is not reimbursable.

1. **Change in Funding Amount**

Along with any other rights and remedies available to it, the CEC reserves the right to:

* Increase or decrease the available funding and the minimum/maximum award amounts described in this section.
* Allocate any additional or unawarded funds to passing applications in rank order.
* Reduce funding to an amount deemed appropriate if the budgeted funds do not provide full funding for agreements. In this event, the Recipient and Commission Agreement Manager will reach agreement on a reduced Scope of Work commensurate with available funding.

## Key Activities Schedule

Key activities, dates, and times for this solicitation and agreements resulting from this solicitation are presented below. An addendum will be released if the dates change for activities that appear in **bold.**

| ACTIVITY | DATE | TIME[[1]](#footnote-2) |
| --- | --- | --- |
| Solicitation Release | 11/03/2022 |  |
| **Pre-Application Workshop** | **11/17/2022** | **10:00 a.m.** |
| **Deadline for Written Questions[[2]](#footnote-3)** | **11/29/2022** | **5:00 p.m.** |
| Anticipated Distribution of Questions and Answers | Week of 12/12/2022 |  |
| **1st Round Deadline to Submit Applications** | **01/25/2023** | **11:59 p.m.** |
| **2nd Round [[3]](#footnote-4)Deadline to Submit Applications** | **03/08/2023** | **11:59 p.m.** |
| Anticipated Notice of Proposed Award Posting Date | 30 days after each proposal submittal deadline |  |
| Anticipated CEC Business Meeting Date | 45 days after each NOPA |  |
| Anticipated Agreement Start Date | 45 days after the Business Meeting |  |
| Anticipated Agreement End Date | No later than 06/30/2026 |  |

## Notice of Pre-Application Workshop

CEC staff will hold one Pre-Application Workshop to discuss the solicitation with potential applicants. Participation is optional but encouraged. The Pre-Application Workshop will be held remotely. Applicants may attend the workshop via the internet (Zoom, see instructions below) or via conference call on the date and at the time and location listed below. Please refer to the CEC's website at [www.energy.ca.gov/contracts/index.html](http://www.energy.ca.gov/contracts/index.html) to confirm the date and time.

**Date and time:** November 17, 2022, at 10:00 a.m.

**Zoom Instructions:**

To join the Zoom meeting, go to <https://zoom.us/join> and enter the Meeting ID below and select “join from your browser.” Participants will then enter the meeting password listed below and their name. Participants will select the “Join” button:

**Meeting ID:** 999 0396 7113

**Meeting Password:** FPIP2022

**Topic:** Pre-Application Workshop – GFO-22-303 – Food Production Investment Program 2022

**Telephone Access Only:**

Call **1-888 475 4499** (Toll Free) or **1-877 853 5257** (Toll Free). When prompted, enter the meeting number above. International callers may select a number from the Zoom International Dial-in Number List at: https://energy.zoom.us/u/adjzKUXvoy. To comment, dial \*9 to “raise your hand” and \*6 to mute/unmute your phone line.

**Access by Mobile Device:**

Download the application from the Zoom Download Center, <https://energy.zoom.us/download>.

**Technical Support:**

* For assistance with problems or questions about joining or attending the meeting,

please call Zoom Technical Support at **1-888-799-9666 ext. 2.** You may also contact the CEC’s Public Advisor’s Office at publicadvisor@energy.ca.gov, or 800-822-6228.

* System Requirements: To determine whether your computer is compatible, visit:

<https://support.zoom.us/hc/en-us/articles/201362023-System-requirements-for-Windows-macOS-and-Linux>.

* If you have a disability and require assistance to participate, please Erica Rodriguez by e-mail at Erica.Rodriguez@energy.ca.gov or (916) 654-4314 at least five days in advance.

## Questions

During the solicitation process, direct questions to the Commission Agreement Officer listed below:

Angela Hockaday, Commission Agreement Officer

California Energy Commission

715 P, MS-1

Sacramento, California, 95814

E-mail: angela.hockaday@energy.ca.gov

Applicants may ask questions at the Pre-Application Workshop and may submit written questions via email. However, all **technical** questions must be received by the deadline listed in the “Key Activities Schedule” above. Questions received after the deadline may be answered at the CEC's discretion. **Non-technical** questions (e.g., questions concerning application format requirements or attachment instructions) may be submitted to the Commission Agreement Officer (CAO) at any time prior to 5:00 p.m. of the application deadline date.

The questions and answers will also be posted on the Commission’s website at: <https://www.energy.ca.gov/funding-opportunities/solicitations>

If an applicant discovers a **conflict, discrepancy, omission, or other error** in the solicitation at any time prior 5:00 p.m. of the application deadline date, the applicant may notify the CEC in writing and request modification or clarification of the solicitation. The CEC, at its discretion will provide modifications or clarifications by either an addendum to the solicitation or by written notice to all entities that requested the solicitation. At its discretion, the CEC may, in addition to any other actions it may choose, re-open the question/answer period to provide all applicants the opportunity to seek any further clarification required.

**Any verbal communication with a Commission employee or anyone else concerning this solicitation is not binding on the State and will in no way alter a specification, term, or condition of the solicitation. Therefore, all communication should be directed in writing to the assigned CAO.**

1. **Applicants’ Admonishment**

This solicitation contains application requirements and instructions. Applicants are responsible for **carefully reading** the solicitation, asking appropriate questions in a timely manner, ensuring that all solicitation requirements are met, submitting all required responses in a complete manner by the required date and time, and **carefully rereading** the solicitation before submitting an application. In particular, please carefully read the **Screening/Scoring Criteria and** **Grounds for Rejection** in Part IV, and the relevant FPIP Grant terms and conditions located at: <http://www.energy.ca.gov/research/contractors.html>.

Applicants are solely responsible for the cost of developing applications. This cost cannot be charged to the State. All submitted documents will become publicly available records upon the posting of the Notice of Proposed Award.

## Additional Requirements

* Time is of the essence. Funds available under this solicitation have encumbrance deadlines as early as June 30, 2023. This means that the CEC must approve proposed awards at a business meeting (usually held monthly) prior to June 30, 2023, in order to avoid expiration of the funds. Prior to approval and encumbrance, the CEC must comply with the California Environmental Quality Act (CEQA). To comply with CEQA, the Commission must have CEQA-related information from applicants and sometimes other entities, such as local governments, in a timely manner. Unfortunately, even with this information, the Commission may not be able to complete its CEQA review prior to the encumbrance deadline for every project. For example, if a project requires an Environmental Impact Report, the process to complete it can take many months. For these reasons, it is critical that applicants organize project proposals in a manner that minimizes the time required for the Commission to comply with CEQA and provide all CEQA-related information to the Commission in a timely manner such that the Commission is able to complete its review in time for it to meet its encumbrance deadline.
* Reservation of right to cancel proposed award. In addition to any other right reserved to it under this solicitation or that it otherwise has, if the CEC determines, in its sole and absolute discretion, that the CEQA review associated with a proposed project would not likely be completed prior to the encumbrance deadline referenced above, and that the Commission’s ability to meet its encumbrance deadline may thereby be jeopardized, the CEC may cancel a proposed award and award funds to the next highest scoring applicant, regardless of the originally proposed applicant’s diligence in submitting information and materials for CEQA review. Examples of situations that may arise related to CEQA review include but are not limited to:
* Example 1: If another state agency or local jurisdiction, such as a city or county, has taken the role of lead agency under CEQA, the CEC’s review may be delayed while waiting for a determination from the lead agency.
* Example 2: If the proposed work is part of a larger project for which a detailed environmental analysis has been or will be prepared by another state agency or local jurisdiction, the CEC’s review may be delayed as a result of waiting for a supplemental or initial analysis, respectively, from the other agency.
* Example 3: If the nature of the proposed work is such that a project is not categorically or otherwise exempt from the requirements of CEQA, and an initial study or other detailed environmental analysis appears to be necessary, the CEC’s review, or the lead agency’s review, may take longer than the time available to encumber the funds. If an initial study or environmental impact report has already been completed by another state agency or a local jurisdiction, serving as the lead agency, the applicant must ensure that such an analysis covers the work in the proposed project, or must obtain a revised analysis and determination from the lead agency reviewing the proposed project.
* Example 4: If the proposed project clearly falls under a statutory or categorical exemption, or is project for which another state agency or local jurisdiction has already adopted a CEQA finding that the project will cause no significant effect on the environment, the project will likely have greater success in attaining rapid completion of CEQA requirements.

The above examples are not exhaustive of instances in which the CEC may or may not be able to comply with CEQA within the encumbrance deadline and are only provided as further clarification for potential applicants. Please plan project proposals accordingly.

## Background

**Food Production Investment Program (FPIP)**

The Greenhouse Gas Reduction Fund (GGRF) funds FPIP. All GGRF-funded programs must advance AB 32 and SB 32 as the primary program goal, and each project must provide real and quantifiable GHG emission reductions. FPIP will accelerate the adoption of advanced energy efficiency and renewable energy technologies that support achieving the state’s long-term GHG emissions reduction goals while maximizing other co-benefits. In alignment with GGRF principles, the CEC will prioritize investing the funds in projects that achieve the highest GHG reductions, maximize benefits to priority population communities, and are necessary to meet the State’s climate goals.

**Applicable Laws, Policies, and Background Documents**

The full description of all energy and climate laws and policies governing FPIP can be found in the guidelines at:

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=229188&DocumentContentId=60586>.

The major policies that govern FPIP include the following:

Laws/Regulations

* **Assembly Bill (AB) 32[[4]](#footnote-5) - Global Warming Solutions Act of 2006**

AB 32created a comprehensive program to reduce greenhouse gas (GHG) emissions in California. GHG reduction strategies include a reduction mandate of 1990 levels by 2020 and a cap-and-trade program. AB 32 also required the California Air Resources Board (ARB) to develop a Scoping Plan that describes the approach California will take to reduce GHGs. ARB must update the plan every five years.

Additional information: <http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0001-0050/sb_32_bill_20160908_chaptered.htm>

Applicable Law: California Health and Safety Code §§ 38500 et. seq.

* **Senate Bill (SB) 32 - California Global Warming Solutions Act of 2006: emissions limit**

AB 32 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of greenhouse gas (GHG) emissions. The state board is required to approve a statewide GHG emissions limit equivalent to the statewide GHG emissions level in 1990 to be achieved by 2020 and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective GHG emissions reductions. This requires the state board to ensure that statewide GHG emissions are reduced to 40% below the 1990 level by 2030.

Additional information: <https://ww3.arb.ca.gov/cc/scopingplan/scopingplan.htm>

* **Assembly Bill (AB) 1550 – The Climate Investments for California Communities Act**

AB 1550 (Gomez, Chapter 369, Statutes of 2016) amends existing SB 535 (DeLeon, Chapter 830, Statutes of 2012) to set investment minimums for GGRF projects in and benefiting disadvantaged communities and low-income communities and includes the following requirements:

* + A minimum of 25% of the proceeds to be invested in projects located within and benefitting individuals living in disadvantaged communities;
  + An additional minimum of 5% be invested in projects located within and benefitting individuals living in low-income communities or benefitting low-income communities statewide; and
  + An additional minimum of 5% be invested in projects that are located within and benefitting individuals living in low-income communities, or benefitting low-income households that are within one-half mile of a disadvantaged community.

Reference Documents

Refer to the link below for information about past FPIP projects and activities:

* <https://www.energy.ca.gov/programs-and-topics/programs/food-production-program>
* <https://www.energizeinnovation.fund/projects?f%5B0%5D=funding_prog%3AFood%20Production%20Investment%20Program>

## Match Funding

**Match Funding Requirement**

Under Tier I, eligible costs for grant funding are limited to the cost of equipment that will result in reductions in GHG emissions and any M&V required to validate GHG emissions reductions. Tier I projects can receive grants up to 65 percent of the eligible costs and require a 35 percent match of eligible costs from the applicant or other sources, as described later in this section.

**“Match funds”** can include those from the applicant or other sources.

* “Match funds” do not include: CEC awards, future/contingent awards, or the cost or value of all non-eligible project costs, such as labor, permitting, and overhead.
* If the applicant is leveraging or pursuing funding from multiple sources of the GGRF, the applicant must describe all existing or potential GGRF sources in their application materials. Previously awarded FPIP funds are not eligible as match funds for this solicitation.
* **“Cash”** **match** means funds that are in the recipient’s possession or proposed by match partner and clearly identified in a support letter, and are reserved for the proposed project, meaning that they have not been committed for use or pledged as match for any other project. Cash match can include funding awards earned or received from other agencies for the proposed technologies or study (but not for the identical work). Proof that the funds exist as cash is required. Cash match will be considered more favorably than in-kind contributions during the scoring phase.
* Match funds must be spent only during the agreement term, either before or concurrently with FPIP funds. Match funds also must be reported in invoices submitted to the CEC.
* All applicants providing match funds must submit commitment letters, **including prime and subcontractors**, that: (1) identify the source(s) of the funds; (2) justify the dollar value claimed; (3) provide an unqualified (i.e., without reservation or limitation) commitment that guarantees the availability of the funds for the project; and (4) provide a strategy for replacing the funds if they are significantly reduced or lost. Please see Attachment 8, Commitment and Support Letter Form. Commitment and support letters must be submitted with the application to be considered.
* Any match pledged in Attachment 1 must be consistent with the amount or dollar value described in the commitment letter(s) (e.g., if $5,000 “cash in hand” funds are pledged in a commitment letter, Attachment 1 must match this amount). Only the total amount pledged in the commitment letter(s) will be considered for match funding.

## California-Based Vendors

Applicants must describe how the vendors meet the requirements of being a California-based vendor. A California-based vendor is a vendor with the equipment manufactured in or distribution center in California. Preference points will be awarded if some or all equipment selected for installation is purchased from a California-based vendor.

# II. Eligibility Requirements

## Applicant Requirements

1. **Eligibility**

**Applicants to the FPIP are limited to food processing facilities located in California.** The applicant must own or operate one or more food processing facilities where grant-funded equipment will be installed. For this program, food processing facilities are those defined by the North American Industry Classification System (NAICS) codes 311 (Food Manufacturing) and 3121 (Beverage Manufacturing). To be eligible for grant funding, projects must meet all the following minimum requirements:

* Applicant must be an existing food processing facility located in California;
* Proposed projects must reduce GHG emissions as defined in the grant solicitation; and
* Applicant must meet all eligibility and other criteria specified in this solicitation.

1. **Terms and Conditions**

Each grant agreement resulting from this solicitation will include terms and conditions that set forth the recipient’s rights and responsibilities. By signing the Application Form (Attachment 1), each applicant agrees to enter into an agreement with the CEC to conduct the proposed project according to the FPIP terms and conditions. All terms and conditions are located at <https://www.energy.ca.gov/funding-opportunities/funding-resources>. Please refer to the applicable FPIP Grant terms and conditions. Failure to agree to the terms and conditions by taking actions such as failing to sign the Application Form or indicating that acceptance is based on modification of the terms will result in **rejection** of the application. Applicants **must** **read** the terms and conditions carefully.The CEC reserves the right to modify the terms and conditionsprior to executing grant agreements.

1. **California Secretary of State Registration**

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 a CEC Business Meeting. 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(s) (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). Sole proprietors using a fictitious business name must be registered with the appropriate county and provide evidence of registration to the CEC prior to their project being recommended for approval at an CEC Business Meeting.

1. **Priority Population**

The CEC anticipates that 10 percent of the funds will be allocated to projects located within and benefiting priority populations. These expenditures will result in the installation of energy efficiency technologies and/or renewable energy technologies, some of which will be implemented in food processing plants located in disadvantaged and/or low-income communities and could result in reduced criteria air pollutant emissions and other benefits.

Preference points will be provided for projects located in and benefiting priority populations as indicated in Section IV, Evaluation and Award Process (see Section IV.F. Stage Two application scoring for specific technical scoring criteria). Applicants must describe their efforts to determine and meaningfully address common needs in disadvantaged communities and low-income communities. Preference points will be awarded based on whether the project meets the requirements indicated in CARB guidance, which is posted at the following: [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification).

Projects claiming to benefit priority populations must be designed to avoid substantial burdens (e.g., displacement of low-income, disadvantaged community residents and businesses or increased exposure to toxics or other health risks).

The interactive mapping tool to identify disadvantaged and low-income communities is posted at the following: [www.arb.ca.gov/cci-communityinvestments](http://www.arb.ca.gov/cci-communityinvestments).

**Note: Priority population benefits criteria are subject to change and can be found on the Priority Population Benefits Criteria Table on the CCI Quantification, Benefits, and Reporting Materials webpage** [**www.arb.ca.gov/cci-quantification**](http://www.arb.ca.gov/cci-quantification)**.**

**5. Executive Order N-6-22 – Russia Sanctions**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. By submitting a bid or proposal, Contractor represents that it is not a target of Economic Sanctions. Should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for rejection of the Contractor’s bid/proposal any time prior to contract execution, or, if determined after contract execution, shall be grounds for termination by the State.

## Project Requirements

This solicitation will only be funding **Tier I** projects.

Tier I projects will focus on installing commercially available, energy-efficient equipment upgrades as drop-in replacements or additions to current systems, processes, and existing equipment. Implementing these installations can result in greater GHG emission reductions and higher efficiency than current best practices and industry standards.

**Eligible technologies for Tier I** are limited to the following:

| **Eligible Technology** | **Description[[5]](#footnote-6)** |
| --- | --- |
| Compressor controls and system optimization | Retrofit or replacement of existing, inefficient air compressors including system optimization and controls. |
| Machine drive controls and upgrades | Installation of advanced programmable logic controllers to optimize process flows and improve the overall production efficiency and throughput used in conjunction with control software systems. |
| Mechanical dewatering | Retrofit or replacement of existing, inefficient mechanical dewatering systems with high-efficiency systems (e.g., filter presses, centrifuges, membrane-based separation). |
| Advanced motors and controls, including variable frequency drives | Retrofit or replacement of existing, inefficient motor-driven systems (e.g., conveyors, pumps, fans), including variable frequency drive systems and electronically-commutated motors (ECM). |
| Refrigeration system optimization | Retrofit or replacement of existing refrigeration systems (e.g., floating head pressure controls, leak detection, and abatement). Refrigeration system replacement must use low-global warming potential (GWP) refrigerants |
| Low-GWP Refrigerants | Replacement of existing, high-GWP refrigeration systems with refrigeration systems that use refrigerants with a GWP of less than 150 (e.g., transcritical CO2 refrigeration systems). |
| Drying equipment | Retrofit or replacement of existing, inefficient drying equipment, including installation of high-efficiency drying equipment (e.g., efficient, low-NOx dryers) and use of waste heat streams (e.g., to preheat, pre-dry, or dry product). |
| Process equipment insulation | Replacement of existing insulation with advanced, highly efficient insulation (e.g., advanced material insulation, advanced functional coatings for insulation). |
| Boilers, economizers | Retrofit or replacement of existing, inefficient boilers and economizers, including installation of high efficiency, low-NOx boilers, and economizers (e.g., efficient, low-NOx condensing boilers, condensing economizers), automatic oxygen trim, automatic burner turndown that follows load, variable speed drives on combustion air fans, and automatic blowdown controls. |
| Steam traps, condensate return, heat recovery | Installation of steam traps, condensate return, and heat recovery that recycle otherwise wasted thermal energy for reuse in the facility (for heating or cooling). |
| Evaporators | Retrofit or replacement of existing, inefficient evaporators, including installation of high-efficiency evaporators (e.g., mechanical vapor recompression evaporators). |
| Internal metering and software to manage and control electricity, natural gas and/or fossil fuel use if part of a larger project that reduces energy usage | Installation of metering and controls software that reduces energy use. This technology must be paired with one or more other eligible technologies. |
| Waste heat to power | Installation of waste heat to power systems that capture waste heat and convert it to electricity for on-site use (e.g., pressure reduction turbines, organic Rankine cycles). Refer to Section I.B, Key Words/Terms, for a definition of Waste Heat. |
| Industrial cooking equipment | Retrofit or replacement of existing, inefficient cooking equipment with high-efficiency cooking equipment that reduces energy use (e.g., efficient, low-NOx baking ovens, fryers). |

Additional technologies could be added as a result of comments received during the written questions period (see Section I.E., Key Activities Schedule). However, these technologies must be consistent with the Guidelines. Any added technologies will be posted in an addendum.

1. **Measurement and Verification Plan**

For the purpose of this FPIP application, GHG emissions reductions must be estimated as part of the application process and will need to be verified after the installation of the funded equipment. Estimates submitted as part of the application process are not reimbursable by the grant. However, once an agreement is executed, the detailed measurement to verify GHG emission reductions is eligible for reimbursement. The following process will be used during the application process and after project implementation:

* 1. **Baseline information as part of the grant application is not reimbursable by the grant.** Each applicant must first develop an energy baseline for the project based on specific characteristics of the targeted equipment to be retrofitted or replaced, operating conditions at the food processing plant, and other factors. The estimate of baseline energy consumption can be derived from an energy assessment conducted by the applicant’s facility staff, private consultants, equipment vendors, and/or others. There are several ways in which to conduct an energy assessment of the targeted equipment, and the choice of the specific assessment protocol used is left to the applicant, but all assumptions and calculation methodologies to justify baseline energy and GHG emissions must be submitted with the application. All targeted equipment and systems for retrofits must reduce GHG emissions through on-site reductions in electricity, gas, and/or fossil fuel use and/or through the use of low global warming refrigerants. The CEC will evaluate the estimates and assumptions of GHG emissions reductions and energy savings provided by each applicant in scoring proposals submitted for funding. The scoring criteria will favor projects with the most potential to cost-effectively reduce GHG emissions along with other factors such as project cost share and benefits to priority populations. Estimates of GHG emission reductions must use the FPIP Benefits Calculator Tool (Attachment 9) posted on the CARB website.[[6]](#footnote-7)
  2. **Post-grant award information and efforts are reimbursable by the grant.** Projects awarded funding will be required to monitor and verify pre- and post-installation energy performance. Each applicant may choose the preferred measurement and verification method as long as it is robust enough to evaluate and validate GHG emissions and energy reductions at the equipment and system or facility levels. The minimum period of measurement required is as follows:
* **Pre-installation:** 
  + Year-round and seasonal facilities: minimum of 3 months pre-installation on the equipment to be retrofit/replaced.
* **Post-installation:**
  + Year-round facilities: minimum 12 months post-installation on the equipment installed.
  + Seasonal facilities: minimum of 6 months (in total) or the total length of two complete seasons post-installation on the equipment installed. For example, if a seasonal operation is 3 months, the plant must collect two 3-month periods of data (such as seasons 2023 and 2024). If a seasonal operation is 6 months, the plant must collect two 6-month periods of data (such as seasons 2023 and 2024).

Verification must be provided for pre- and post- equipment installation through actual on-site measurements. Estimates of GHG emission reductions must use the FPIP Benefits Calculator (Attachment 9) posted on CARB’s website. The CEC grant provides funding to contract with independent third-party subcontractors. Self-certification using in-house staff is also acceptable but will not be reimbursable by the grant. The CEC or its consultant reserves the right to conduct an audit of a sample of the projects to verify assumptions and estimates of energy savings and GHG emission reductions.

1. Bundling of Technologies for Multiple Plants

* **Bundling of technologies and facilities under the same ownership can be included in one application.** The entire bundle of technologies and plants under the same organization will be evaluated as discussed in Section IV.F Criteria 5. Criteria 5 discusses priority consideration for bundling of sites and technologies with a facility that must mandatorily report its emissions to CARB annually.

# III. Application Organization and Submission Instructions

## Application Format, Page Limits, and Number of Copies

The following table summarizes the application formatting and page limit recommendations:

The CEC may have waived the requirement for a signature on application materials for this solicitation. If a notice regarding CEC’s waiver of the signature requirement appears here: <https://www.energy.ca.gov/funding-opportunities/solicitations>, the waiver applies to this solicitation. In the event of a conflict between the notice and any language in this solicitation regarding signatures, the notice will govern.

|  |  |
| --- | --- |
| **Format** | * **Font:** 11-point, Arial (excluding Excel spreadsheets, original template headers and footers, and commitment or support letters) * **Margins:** No less than one inch on all sides (excluding headers and footers) * **Spacing:** Single spaced, with a blank line between each paragraph * **Signatures**: Wet signatures only (i.e., not electronic) * **File Format:** MS Word version 2007 or later (.doc or .docx format), excluding Excel spreadsheets and commitment or support letters (PDF files are acceptable for the letters) |
| **Maximum Page Limit Recommendations** | * **Project Narrative Form** (Attachment 2): **twelve** pages excluding documentation for CEQA (Attachment 6) * **Commitment and Support Letter Form** (Attachment 8): **two** pages, excluding the cover page * **Scope of Work** (Attachment 3): **thirty** pages * **Project Schedule** (Attachment 4): **four** pages * There are no page limits for the following:   + **Application Form** (Attachment 1)   + **Budget Forms** (Attachment 5)   + **CEQA Compliance Form** (Attachment 6)   + **Contact List** (Attachment 7)   + **FPIP Benefits Calculator** (Attachment 9) |

## Method For Delivery

The only method of submitting applications to this solicitation is the CEC Grant Solicitation System (GSS), available at: <https://gss.energy.ca.gov/>. This online tool allows applicants to submit their electronic documents to the CEC prior to the date and time specified in this solicitation. Electronic files must be in Microsoft Word XP (.doc format) or newer and Excel Office Suite formats unless originally provided in the solicitation in another format. Attachments requiring signatures may be scanned and submitted in PDF format. Completed Budget Forms, (Attachment 5), must be in Excel format.

The deadline to submit grant applications through the CEC’s GSS is 11:59 p.m. The GSS system automatically closes at 11:59 p.m. If the full submittal process has not been completed before 11:59 p.m., your application will not be considered. NO EXCEPTIONS will be entertained.

The CEC strongly encourages Applicants to upload and submit all applications by 5:00 p.m. because CEC staff will not be available after 5:00 p.m. or on weekends to assist with the upload process. And please note that while we endeavor to assist all would-be applicants, we can’t guarantee staff will be available for in-person consultation on the due date, so please plan accordingly.

Please give yourself ample time to complete all steps of the submission process: do not wait until right before the deadline to begin the process. Due to factors outside the CEC’s control and unrelated to the GSS system, upload times may be much longer than expected. For example, some past applicants experienced unexpected issues on their end, causing long delays that prevented timely submission. They spent significant time and resources on applications the CEC will not consider. Please plan accordingly. For instructions on how to apply using the GSS system, please see the How to Apply document available on the CEC website at: <https://www.energy.ca.gov/media/1654>.

First time users must register as a new user to access the system. Applicants will receive a confirmation email after all required documents have been successfully uploaded. A tutorial of the system will be provided at the pre-application workshop, and you may contact the Commission Agreement Officer identified in the Questions section of the solicitation for more assistance.

## Application Content

Below is a general description of each required section of the application. Please reference each individual attachment for a detailed description of the information requested by that attachment. Completeness in submitting all the information requested in each attachment will be factored into application scoring.

1. Application Form (Attachment 1)

This form requests basic information about the applicant and the project. The application must include an original Application Form that includes all requested information. The Application Form must be signed by an authorized representative of the applicant’s organization or will be failed as indicated in Section IV.E.

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1. Project Narrative Form (Attachment 2)

This form will include the majority of the applicant’s responses to the Scoring Criteria in Section IV, including the following:

* + - * + **Technical Merit and Need**
        + **Technical Approach**
        + **Impacts and Benefits**
        + **Market Potential and Information Sharing**
        + **Capped and Uncapped Facilities**
        + **Preference Points**

1. Documentation of Benefits to Priority Populations

Proposals will receive preference points for project(s) located within an identified disadvantaged or low-income community, benefiting individuals living within that community or directly benefiting residents of low-income households. Applicants must describe their efforts to provide direct, meaningful, and assured benefits and address an important community needs using the following evaluation approach (Note: applicants must review the CARB’s guidance at [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification) for any updates to the following list):

* Step 1: Identify the Priority Population(s). Be located within a census tract identified as a disadvantaged community or low-income community or directly benefit residents of a low-income household. The following web link provides interactive maps to aid in determining geographic eligibility for disadvantaged and low-income communities: [www.arb.ca.gov/cci-communityinvestments](http://www.arb.ca.gov/cci-communityinvestments).
* Step 2: Address a Need. Meaningfully address an important community or household need for the identified priority population(s). The applicant must document the approach for determining community needs and the level of engagement, as well as how community input was considered in the project design. Alternatives to direct community engagement are to identify individual factors in CalEnviroScreen that most impact a disadvantaged or low-income community, receive documentation of broad support for a proposed project local community-based organizations and residents, or select a need from the list of common needs[[7]](#footnote-8) and document broad support from local community-based organizations and/or residents.
* Step 3: Provide a Benefit. Identify at least one direct, meaningful, and assured benefit that the project provides to priority populations. Projects must meet at least one of the following benefit criteria[[8]](#footnote-9):
  + Project provides energy efficiency upgrades to residents of a disadvantaged or low-income community or a low-income household.
  + Project provides renewable energy and direct energy cost savings to residents of disadvantaged or low-income communities or to low-income households.
  + Project reduces on-site criteria air pollutant or toxic air contaminant emissions through the reduction of fossil fuel consumption via efficiency improvements or electrification.
  + Project reinvests energy or fuel cost savings that would otherwise be realized by the funding recipient into the same disadvantaged or low-income community, or to low-income households, to provide direct, meaningful, and assured benefits to residents.
  + Project includes recruitment, agreements, policies, or other approaches that are consistent with federal and state law and result in at least 25 percent of project work hours performed by residents of a disadvantaged or low-income community, or by residents of low-income households.
  + Project includes recruitment, agreements, policies, or other approaches that are consistent with federal and state law and result in at least 10 percent of project work hours performed by residents of a disadvantaged or low-income community, or by residents of low-income households, who participate in job training programs that lead to industry-recognized credentials or certifications.

For applications with multiple locations, the applicant must address and discuss each of the three steps for each location, along with the amount of CEC funds to spend in each location.

Preference points will be awarded based on whether all the plants in the application meet all the requirements indicated in CARB guidance, which is posted at the following: [www.arb.ca.gov/cci-fundingguidelines](http://www.arb.ca.gov/cci-fundingguidelines). If all plants in the application meet all three steps, then the proposal will obtain preference points. There will be no proration of points if some plants meet the requirement and others do not.

Projects claiming to benefit priority populations must be designed to avoid substantial burdens (e.g., displacement of low-income, disadvantaged community residents and businesses or increased exposure to toxins or other health risks).

The interactive mapping tool to identify disadvantaged and low-income communities is posted at the following: [www.arb.ca.gov/cci-communityinvestments](http://www.arb.ca.gov/cci-communityinvestments).

**Note: Priority population needs and benefits criteria are subject to change, and the latest versions can be found on the Priority Population Benefits Criteria Table on the CCI Quantification, Benefits, and Reporting Materials webpage at** [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification)**.**

1. **California-Based Vendors**

Applicants must describe how the vendors meet the requirements of being a California-based vendor. A California-based vendor is a vendor that has the equipment manufactured in or has a distribution center in California. Preference points will be awarded if some or all equipment selected for installation is purchased from a California-based vendor. The more equipment purchased from California vendors, the higher the points. The points will be calculated by using the following formula: (“CEC funds to CA-Based Vendors for Equipment” divided by “Total CEC funds for Equipment”) multiplied by “Maximum Points for this criterion” as indicated in Section IV.F., criterion 7.

For example, if the total equipment cost is $1,000,000 and $500,000 is purchased from California vendors, the points will be 50% of the total points possible for this criterion.

1. Scope of Work Template (Attachments 3)

Applicants must include a completed Scope of Work for each project, as instructed in the template. The Scope of Work identifies the tasks required to complete the project. See requirements in Section III.A.

Electronicfiles for the Scope of Work must be in **MS Word** file format**.**

1. Project Schedule (Attachment 4)

The Project Schedule includes a list of all product, meetings, and due dates. All work must be scheduled for completion by the “Key Dates” section of this solicitation manual.

Electronic files for the Project schedule must be in MS Excel file format.

1. Budget Forms (Attachment 5A and 5B)

The budget forms are in MS Excel format. Detailed instructions for completing them are included at the beginning of Attachment 5. **Read the instructions before completing the worksheets**. Complete and submit information on **all** budget worksheets. The worksheets are to be completed for all eligible grant and match expenditures.

**Tier I**:

* Category Budget, which is a summary of all eligible expenditures and match.
* Equipment Budget, which itemizes the cost for all items purchased and installed as part of the project.
* Subcontractor Budget, which itemizes all M&V subcontractor costs. If M&V subcontractor costs exceed $100,000, a separate budget workbook must be completed.

Note: M&V costs will be reimbursed by the grant only when outside parties are used. Use of in-house staff for M&V is not reimbursable.

The information provided in these budget forms becomes a part of the final agreement.

1. All project expenditures (match share and reimbursable) must be made within the approved agreement term. Match share requirements are discussed in Part I of this solicitation. The entire term of the agreement and projected rate increases must be considered when preparing the budget.
2. The budget must reflect estimates for **actual** costs to be incurred during the agreement term. The CEC may only approve and reimburse for actual costs that are properly documented in accordance with the grant terms and conditions. M&V subcontractors with a budget exceeding $100,000 must provide rates for personnel shown, and these must reflect the rates and personnel the applicant would include if selected as a Recipient.
3. The proposed rates are considered capped and may not change during the agreement term. M&V subcontractors with a budget that exceed $100,000 will only be reimbursed for **actual** rates up to the rate caps.
4. The 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 (subcontractor profit is allowable, though the maximum percentage allowed is 10 % of the 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.
5. The budget must allow for the expenses of all meetings and products described in the Scope of Work. Meetings may be conducted at the CEC or by conference call, as determined by the Commission Agreement Manager.
6. Applicants must budget for permits and insurance. Permit costs and the expenses associated with obtaining permits are not reimbursable under this Agreement with CEC funds.
7. The budget must NOT identify that FPIP funds will be spent outside of the United States or for out-of-country travel. However, match funds may cover these costs if there are no legal restrictions.
8. **Prevailing wage requirement:** 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.

Projects deemed to be public works require among other things the payment of prevailing wages, which can be significantly higher than non-prevailing wages.

By accepting this grant, Recipient as a material term of this agreement shall be fully responsible for complying with all California public works requirements including but not limited to payment of prevailing wage. Therefore, as a material term of this grant, Recipient must either:

(a) Proceed on the assumption that the project is a public work and ensure that:

1. prevailing wages are paid; and
2. the project budget for labor reflects these prevailing wage requirements; and
3. the project complies with all other requirements of prevailing wage law including but not limited to keeping accurate payroll records, and complying with all working hour requirements and apprenticeship obligations.

or,

(b) Timely obtain a legally binding determination from the Department of Industrial Relations or a court of competent jurisdiction before work begins on the project that the proposed project is not a public work.

1. California Environmental Quality Act (CEQA) Compliance Form (Attachment 6)

The CEC requires the information on this form to facilitate its evaluation of proposed activities under CEQA (California Public Resources Code Section 21000 et. seq.), a law that requires state and local agencies in California to assess the potential environmental impacts of their proposed actions. The form will also help applicants to determine CEQA compliance obligations by identifying which proposed activities may be exempt from CEQA and which activities may require additional environmental review. If proposed activities are exempt from CEQA (such as paper studies), the worksheet will help to identify and document this. This form must be completed regardless of whether the proposed activities are considered a “project” under CEQA.

Failure to complete the CEQA process in a timely manner after the CEC’s Notice of Proposed Award may result in the cancellation of a proposed award and allocation of funding elsewhere, such as to the next highest-scoring project.

1. Contact List (Attachment 7)

The list identifies the names and contact information of the project manager, administrator, accounting officer, and recipient of legal notices.

1. Commitment and Support Letter Form (Attachment 8)

A commitment letter commits an entity or individual to providing the service or funding described in the letter. A support letter details an entity or individual’s support for the project. Commitment and Support Letters must be submitted with the application. Letters that are not submitted by the application deadline will not be reviewed and counted towards meeting the requirement specified in the solicitation.

* + 1. Commitment Letters (**Mandatory** and will be used for screening)

Applicants must submit a **match funding** commitment letter signedby eachrepresentative of the entity or individual that is committing to providing match funding. The letter must: (1) identify the source(s) of the funds; and (2) guarantee the availability of the funds for the project. If the match funds are provided by the applicant, a commitment letter from the applicant is needed.

* + 1. Support Letters (**Optional** and may be used for scoring)

All applicants must include at least one support letter from a project stakeholder (i.e., an entity or individual that will benefit from or be involved in the project) that: (1) describes the stakeholder’s interest or involvement in the project; (2) indicates the extent to which the project has the support of the relevant industry and/or organizations; and (3) describes any support it intends (but does not necessarily commit) to provide for the project.

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1. FPIP Benefits Calculator (Attachment 9)

Applicants must fill out the FPIP Benefits Calculator Tool. The tool estimates the GHG emission reductions and selected co-benefits of each proposed project type. The FPIP Benefits Calculator Tool uses methods described in the supporting FPIP Quantification Methodology. CARB and the CEC developed the Quantification Methodology consistent with the guiding principles of California Climate Investments, including ensuring transparency and accountability. The latest FPIP Benefits Calculator Tool and FPIP Quantification Methodology are available for download at: [www.arb.ca.gov/cci-resources](http://www.arb.ca.gov/cci-resources). This questionnaire aims to identify and document 5-7 performance targets for the project. The performance targets should be a combination of scientific, engineering, and techno-economic metrics that provide the most significant indicators of the research or technology’s potential success.

# IV. Evaluation and Award Process

## Application Evaluation

Applications will be evaluated and scored based on responses to the information requested in this solicitation and on any other information available, such as on past performance of CEC agreements. To evaluate applications, the CEC will organize an Evaluation Committee that consists primarily of CEC staff. The Evaluation Committee may use technical expert reviewers to provide an analysis of applications. Applications will be evaluated in two stages:

1. **Stage One: Application Screening**

The Contracts, Grants, and Loans Office and/or the Evaluation Committee will screen applications for compliance with the Screening Criteria in **Section E** of this Part. **Applications that fail any of the screening criteria will be rejected.**The Evaluation Committee may conduct optional telephone **Clarification Interviews** with applicants during the screening process to clarify and/or verify information submitted in the application. However, these interviews may not be used to change or add to the content of the original application. Applicants will not be reimbursed for time spent answering clarifying questions.

1. **Stage Two: Application Scoring**

Applications that pass Stage One will be submitted to the Evaluation Committee for review and scoring based on the Scoring Criteria in **Section F** of this Part.

* The scores for each application will be the average of the combined scores of all Evaluation Committee members.
* Clarification Interviews: The Evaluation Committee may conduct optional telephone interviews with applicants during the evaluation process to clarify and/or verify information submitted in the application. However, these interviews may not be used to change or add to the content of the original application. Applicants will not be reimbursed for time spent answering clarifying questions.
* **A minimum score of 70.0 points** is required for criteria 1-5 to be eligible for funding.

## Ranking, Notice of Proposed Award, and Agreement Development

1. **Ranking and Notice of Proposed Award**

Applications that receive at least the minimum required score for all criteria will be ranked according to their score.

* CEC staff will post a **Notice of Proposed Award (NOPA)** that includes: (1) the total proposed funding amount; (2) the rank order of applicants; and (3) the amount of each proposed award. The CEC will post a “Notice of Proposed Award” on the [CEC website](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.energy.ca.gov%2Ffunding-opportunities%2Fsolicitations&data=05%7C01%7C%7C29320280171344205bf808dab8fc9e90%7Cac3a124413f44ef68d1bbaa27148194e%7C0%7C0%7C638025692375541839%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=MuACzTkzqdjmSyz%2FO44ap54AVVs1Dhc8XjC9jTkL8ic%3D&reserved=0) at [https://www.energy.ca.gov/funding-opportunities/solicitations](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.energy.ca.gov%2Ffunding-opportunities%2Fsolicitations&data=05%7C01%7C%7C29320280171344205bf808dab8fc9e90%7Cac3a124413f44ef68d1bbaa27148194e%7C0%7C0%7C638025692375541839%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=MuACzTkzqdjmSyz%2FO44ap54AVVs1Dhc8XjC9jTkL8ic%3D&reserved=0). Proposed awards must be approved by the CEC at a business meeting.
* **Debriefings:** Unsuccessful applicants may request a debriefing after the release of the

NOPA by contacting the Commission Agreement Officer listed in Part I. A request for debriefing must be received **no later than 30 calendar days** after the NOPA is released.

* In addition to any of its other rights, the CEC reserves the right to:
  + Allocate any additional funds to passing applications, in rank order; and
  + Negotiate with successful applicantstomodify the project scope, schedule, project team entity that will receive the award, location and/or level of funding.

1. **Agreements**

Applications recommended for funding will be developed into a proposed grant agreement to be considered at a CEC Business Meeting. Recipients may begin the project only after full execution of the grant agreement (i.e., approval at a CEC business meeting and signature by the Recipient and the CEC).

* **Agreement Development:** The Contracts, Grants, and Loans Office will send the Recipient a grant agreement for approval and signature. The agreement will include the applicable terms and conditions and will incorporate this solicitation and the application by reference. The CEC reserves the right to modify the award documents (including the terms and conditions) prior to executing any agreement.
* **Failure to Execute an Agreement:** If the CEC is unable to successfully execute an agreement with an applicant in a timely manner, it reserves the right to cancel the pending award and use the funds elsewhere, such as to fund the next highest-ranked, eligible application.

## Grounds to Reject an Application or Cancel an Award

Applications that do not pass the screening stage will be rejected. In addition, the CEC reserves the right to reject an application and/or to cancel an award for any reason, including any of the following:

* The application contains false or intentionally misleading statements or references that do not support an attribute or condition contended by the applicant.
* The application is intended to erroneously and fallaciously mislead the State in any way.
* The application does not comply or contains caveats that conflict with the solicitation, and the variation or deviation is material.
* The applicant has received unsatisfactory agreement evaluations from the CEC or another California state agency.
* The applicant is a business entity required to be registered with the California Secretary of State and is not in good standing.
* The applicant has not demonstrated that it has the financial capability to complete the project.
* The applicant fails to meet CEQA compliance within sufficient time for the CEC to meet its encumbrance deadline or any other deadlines, as the CEC in its sole and absolute discretion may determine.
* The applicant has included a statement or otherwise indicated that it will not accept the terms and conditions, or that acceptance is based on modifications to the terms and conditions.
* The application contains confidential information or identifies any portion of the application as confidential.

## Miscellaneous

1. **Solicitation Cancellation and Amendment**

It is the policy of the CEC not to solicit applications unless there is a bona fide intention to award an agreement. However, if it is in the State’s best interest, the CEC reserves the right, in addition to any other rights it has, to do any of the following:

* Cancel this solicitation;
* Revise the amount of funds available under this solicitation;
* Amend this solicitation as needed; and/or
* Reject any or all applications received in response to this solicitation.

If the solicitation is amended, the CEC will send an addendum to all entities that requested the solicitation, and will also post it on the CEC’s website at: [www.energy.ca.gov/contracts](http://www.energy.ca.gov/contracts). The CEC will not reimburse applicants for application development expenses under any circumstances, including cancellation of the solicitation.

1. **Modification or Withdrawal of Application**

Applicants may withdraw or modify a submitted application before the deadline to submit applications by sending a letter to the Commission Agreement Officer listed in Part I. Applications cannot be changed after that date and time. An Application cannot be “timed” to expire on a specific date. For example, a statement such as the following is non-responsive to the solicitation: “This application and the cost estimate are valid for 60 days.”

1. **Confidentiality**

Though the entire evaluation process from receipt of applications up to the posting of the NOPA is confidential, **all submitted documents will become publicly available records** after the CEC posts the NOPA or the solicitation is cancelled. **The CEC will not accept or retain applications that identify any portion as confidential.**

1. **Solicitation Errors**

If an applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation, the applicant should immediately notify the CEC of the error in writing and request modification or clarification of the solicitation. The CEC will provide modifications or clarifications by written notice to all entities that requested the solicitation. The CEC will not be responsible for failure to correct errors.

1. **Immaterial Defect**

The CEC may waive any immaterial defect or deviation contained in an application. The CEC’s waiver will not modify the application or excuse the successful applicant from full compliance with solicitation requirements.

1. **Disposition of Applicant’s Documents**

Upon the posting of the NOPA, all applications and related materials submitted in response to this solicitation will become property of the State and publicly available records. Unsuccessful applicants who seek the return of any materials must make this request to the Agreement Officer listed in Part I and provide sufficient postage to fund the cost of returning the materials.

## Stage One: Application Screening

|  |  |
| --- | --- |
| **Screening Criteria**  *The Application must pass ALL criteria to progress to Stage Two.* | **Pass/Fail** |
| 1. The application is received by the CEC’s Contracts, Grants, and Loans Office by the due date and time specified in the “Key Activities Schedule” in Part I of this solicitation and is received in the required manner (e.g., no emails or faxes). | Pass  Fail |
| 1. The Application Form (Attachment 1) is signed where indicated. | Pass  Fail |
| 1. The requested funding falls within the minimum and maximum range specified in the solicitation. | Pass  Fail |
| 1. If the applicant has submitted more than one application, each application is for a distinct project (i.e., no overlap with respect to the tasks described in the Scope of Work, Attachment 3).   *If the projects are not distinct and the applications were submitted at the same time, only the first application screened by the CEC will be eligible for funding. If the applications were submitted separately, only the first application received by the CEC will be eligible for funding.* | Pass  Fail |
| 1. The Application includes Commitment Letters that total the minimum match requirement specified in Section I.D. The match funding commitment letter(s) is signed[[9]](#footnote-10) and is received by the due date listed in the schedule. | Pass  Fail |
| 1. The technology(ies) is listed in Section II.B. | Pass  Fail |
| 1. The project location is a food processing facility located in California and meets the requirements in Section II.A. | Pass  Fail |

## Stage Two: Application Scoring

Proposals that pass ALL Stage One Screening Criteria and are not rejected as described in Section IV.C. will be evaluated based on the Scoring Criteria on the next page and the Scoring Scale below (with the exception of criteria 5, 6 and 7, which will be evaluated as described in each criterion). Each criterion has an assigned number of possible points and is divided into multiple sub-criteria. The sub-criteria are not equally weighted. The Project Narrative (Attachment 2) must respond to each sub-criterion, unless otherwise indicated.

**Scoring Scale**

|  |  |  |
| --- | --- | --- |
| **% of Possible Points** | **Interpretation** | **Explanation for Percentage Points** |
| 0% | Not Responsive | Response does not include or fails to address the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable. |
| 10-30% | Minimally Responsive | Response minimally addresses the requirements being scored. The omission(s), flaw(s), or defect(s) are significant and unacceptable. |
| 40-60% | Inadequate | Response addresses the requirements being scored, but there are one or more omissions, flaws, or defects or the requirements are addressed in such a limited way that it results in a low degree of confidence in the proposed solution. |
| 70% | Adequate | Response adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable. |
| 75% | Between Adequate and Good | Response better than adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable. |
| 80% | Good | Response fully addresses the requirements being scored with a good degree of confidence in the applicant’s response or proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable. |
| 85% | Between Good and Excellent | Response fully addresses the requirements being scored with a better than good degree of confidence in the applicant’s response or proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable. |
| 90% | Excellent | Response fully addresses the requirements being scored with a high degree of confidence in the applicant’s response or proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations. |
| 95% | Between Excellent and Exceptional | Response fully addresses the requirements being scored with a better than excellent degree of confidence in the applicant’s response or proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations. |
| 100% | Exceptional | All requirements are addressed with the highest degree of confidence in the applicant’s response or proposed solution. The response exceeds the requirements in providing multiple enhancing features, a creative approach, or an exceptional solution. |

**Scoring CRITERIA**

**The Project Narrative (Attachment 2)** must respond to each criterion below. The responses must directly relate to the solicitation requirements and focus as stated in the solicitation. Any estimates of energy savings or GHG impacts should be calculated as specified in the FPIP Benefit Calculator (Attachment 9), to the extent that the references apply to the proposed project.

|  |  |
| --- | --- |
| **Scoring Criteria** | **Maximum Points** |
| 1. **Technical Merit and Need**   Applications will be evaluated on the degree to which the Applicant:   1. Justifies that the proposed technology(ies) is commercially available, is a drop-in replacement or addition to current systems, and will provide greater GHG emission reductions than current best practices or industry-standard equipment. The proposed project provides a clear and concise description of the technological or scientific knowledge advancement, and/or innovation that will overcome barriers to achieving the State’s statutory energy goals. | **20** |
| 1. **Technical Approach**   Applications will be evaluated on the degree to which the Applicant:   1. Describes the approach to be used in performing the work, including demonstrated ability to successfully implement the proposed project. 2. Identifies and discusses factors critical for success, including:    * Risks, barriers, and other limitations, including those related to environmental permitting, CEQA, and food processing scheduling, and how these will be mitigated to successfully complete the project within the grant term.    * How the facility(ies) has been affected by COVID-19, including impact on energy use, operating schedule and budgets, staffing, volume and type of products produced, and any other impacts that could affect the proposed project. Discuss how these impacts have been or will be mitigated to improve the chance of project success.    * How the facility(ies) plans to overcome potential issues with equipment supply chain, installer availability, and cost changes. 3. Provides a clear and plausible M&V plan that describes how GHG emission reductions, energy savings, and other benefits (e.g., those identified in criteria 3.a.) will be determined if awarded funds. | **20** |
| 1. **Impacts and Benefits**   Applications will be evaluated on the degree to which the Applicant:   1. Provides justifiable and reasonable quantitative estimates of: 1) annual GHG emission reductions at the applicant’s food processing facility(ies), and 2) other potential benefits for California including the following (as applicable): direct and indirect annual electricity, fossil fuel, and thermal savings (kilowatt-hours, Btus, and therms); energy cost reductions; other air emission reductions (e.g., NOx); and any other co-benefits. 2. Provides cost-benefit analysis comparing CEC funds requested relative to estimated GHG emission reductions (e.g., CEC dollars requested/ton of GHG emissions reduced). 3. States the timeframe, assumptions with sources, and calculations for the estimated benefits and explains their reasonableness. Includes baseline or “business as usual” over a timeframe. | **40** |
| 1. **Market Potential and Information Sharing**   Applications will be evaluated on the degree to which the Applicant:   * 1. Identifies other market segments in California that can use the technology demonstrated, including size and penetration or deployment rates, with underlying assumptions.   2. Describes how the knowledge gained will be shared with others. | **10** |
| 1. **Capped and Uncapped Facilities**   Capped facilities are those that emit more than 25,000 metric tons of CO2e annually, and they must reduce emissions or purchase allowances in quarterly auctions. Uncapped facilities include those that: 1) emit more than 10,000 but less than 25,000 metric tons of CO2e annually and are required to report their CO2e emissions to CARB annually, or 2) those that emit less than 10,000 metric tons of CO2e annually.  For Tier I, priority consideration will be given as follows:   | **Bundled Entity Description for each Tier** | Points | | --- | --- | | Projects in a capped facility[[10]](#footnote-11), along with any facility(ies) under the same ownership, can be bundled in one application | 10 | | Projects in a facility that emits between 10,000 and 25,000 metric tons of CO2e annually, along with any facility(ies) under the same ownership, can be bundled in one application | 5 | | Projects in a facility that are not obligated to report to CARB annually for CO2e emissions | 0 | | **10** |
| **Total Possible Points for criteria 1− 5**  **(Minimum Passing Score for criteria 1− 5 is 70% or 70.00)** | **100** |
| **Preference Points** – Applications must meet the minimum passing score (Scoring Criteria 1-5) to be eligible for the additional points. | |
| 1. **Priority Populations**   Proposals that meet all the requirements of being located in and benefiting priority populations as referenced in Section III.C.2.a will receive the maximum points. Proposals that do not meet all requirements will receive zero points. | **10** |
| 1. **California-Based Vendor**   Preference points may be awarded if the equipment selected for installation is purchased from a California-based vendor. Points will be awarded on a sliding scale based on the percentage of equipment funds spent with a California-based vendor and will be calculated by using the following formula: | **5** |

1. Pacific Standard Time or Pacific Daylight Time, whichever is being observed. [↑](#footnote-ref-2)
2. This deadline does not apply to non-technical questions (e.g., questions concerning application format requirements or attachment instructions) or to questions that address an ambiguity, conflict, discrepancy, omission, or other error in the solicitation. Such questions may be submitted to the Commission Agreement Officer listed in Section G at any time prior to the application deadline. Please see Section G for additional information. [↑](#footnote-ref-3)
3. If funds remain at the conclusion of Round 1, the CEC will release a notice and accept applications for Round 2 by the due date listed in the schedule or another date as indicated in the notice. The purpose of Round 2 is to allow for new proposal submissions and resubmissions in order to fund additional projects should funds remain after Round 1. [↑](#footnote-ref-4)
4. AB 32 (Statutes of 2006, chapter 488) [↑](#footnote-ref-5)
5. The examples provided are not intended to be all-inclusive. Applicants who are unsure if their project is eligible should submit a written question prior to the Deadline for Written Questions and project eligibility will be determined through the Questions and Answers Document. [↑](#footnote-ref-6)
6. California Air Resources Board CCI Quantification, Benefits, and Reporting Materials, [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification) [↑](#footnote-ref-7)
7. See Examples of Common Needs of Priority Populations in the Funding Guidelines [www.arb.ca.gov/cci-fundingguidelines](http://www.arb.ca.gov/cci-fundingguidelines) [↑](#footnote-ref-8)
8. See to the Energy Efficiency or Renewable Energy Evaluation Criteria in the Funding Guidelines <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/ccidoc/criteriatable/criteria-table-eere.pdf?_ga=2.156650299.1602708917.1526276473-361977704.1519737075> [↑](#footnote-ref-9)
9. The CEC may have waived the requirement for a signature on application materials for this solicitation. If a notice regarding CEC’s waiver of the signature requirement appears here: <https://www.energy.ca.gov/funding-opportunities/solicitations>, the waiver applies to this solicitation. In the event of a conflict between the notice and any language in this solicitation regarding signatures, the notice will govern. [↑](#footnote-ref-10)
10. California Air Resources Board, Mandatory GHG Reporting –Reported Emissions, <https://ww2.arb.ca.gov/mrr-data> [↑](#footnote-ref-11)