**GRANT FUNDING OPPORTUNITY**

**Clean Transportation Program**

**Ultra-Low-Carbon Fuel: Demonstration- and Commercial-Scale Production Facilities   
Utilizing Forest Biomass**



**GFO-22-608**

<https://www.energy.ca.gov/funding-opportunities/solicitations>

**State of California**

**California Energy Commission**

**February 2023**

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# Introduction

## Purpose of Solicitation

This is a competitive grant solicitation. The California Energy Commission’s (CEC) Clean Transportation Program (formerly known as the Alternative and Renewable Fuel and Vehicle Technology Program) announces the availability of up to $9.0 million to support ultra-low-carbon fuel in two funding categories: demonstration-scale and commercial-scale production facilities utilizing forest biomass. The intent of this solicitation is to support ultra-low-carbon fuels that reduce greenhouse gas (GHG) emissions, decrease air pollution, prevent wildfire, and help achieve the state’s climate change and clean air goals.

Project Requirements for both funding categories are further defined in Section II.B. of this solicitation.

## Background

Assembly Bill (AB) 118 (Nùñez, Chapter 750, Statutes of 2007), created the Clean Transportation Program. The statute authorizes the CEC to develop and deploy alternative and renewable fuels and advanced transportation technologies to help attain the state’s climate change policies. AB 8 (Perea, Chapter 401, Statutes of 2013) re-authorized the Clean Transportation Program through January 1, 2024.

The Clean Transportation Program has an annual budget of approximately $100 million and provides financial support for projects that:

* Reduce California’s use and dependence on petroleum transportation fuels and increase the use of alternative and renewable fuels and advanced vehicle technologies.
* Produce sustainable alternative and renewable low-carbon fuels in California.
* Expand alternative fueling infrastructure and fueling stations.
* Improve the efficiency, performance and market viability of alternative light-, medium-, and heavy-duty vehicle technologies.
* Retrofit medium- and heavy-duty on-road and non-road vehicle fleets to alternative technologies or fuel use.
* Expand the alternative fueling infrastructure available to existing fleets, public transit, and transportation corridors.
* Establish workforce training programs and conduct public outreach on the benefits of alternative transportation fuels and vehicle technologies.

## Commitment to Diversity

The CEC is committed to ensuring that participation in its Clean Transportation Program reflects the rich and diverse characteristics of California and its people. To meet this commitment, CEC staff conducts outreach efforts and activities to:

* Ensure potential new applicants throughout the state are aware of the CEC's Clean Transportation Program and the funding opportunities the program provides.
* Encourage greater participation by underrepresented groups including small businesses and women-, minority-, disabled veteran-, and lesbian, gay, bisexual, and transgender (LGBT) -owned businesses.
* Assist applicants in understanding how to apply for funding from the CEC's Clean Transportation Program.

## Key Activities and Dates

Key activities including dates and times for this solicitation are presented below. An addendum will be released if the dates change for the asterisked (\*) activities. Times listed are Pacific Standard Time or Pacific Daylight Time, whichever is being observed.

|  |  |
| --- | --- |
| **ACTIVITY** | **ACTION DATE** |
| Solicitation Release | February 3, 2023 |
| Pre-Application Workshop at 10:00 a.m.**\*** | February 23, 2023 |
| Deadline for Written Questions by 5:00 p.m.**\*** | March 2, 2023 |
| Anticipated Distribution of Questions/Answers | Week of March 26, 2023 |
| **Deadline to Submit Applications by 11:59 p.m.\*** | April 27, 2023 |
| Anticipated Notice of Proposed Awards Posting | June 2023 |
| Anticipated CEC Business Meeting | September 2023 |

## How Award is Determined

Applicants passing administrative and technical screening will compete based on the evaluation criteria and will be scored and ranked based on those criteria. Unless the CEC exercises any of its other rights regarding this solicitation (e.g., to cancel the solicitation or reduce funding), applications obtaining at least the minimum passing score will be recommended for funding.

Applications must fall into one of two project categories to be eligible under this solicitation:

* Category 1: Demonstration-Scale Fuel Production
  + The primary fuel production technology within the application must have been demonstrated at a technology readiness level (TRL) of 7.
* Category 2: Commercial-Scale Fuel Production
  + Either a new facility or an expansion of an existing facility.
  + The primary fuel production technology within the application must have been demonstrated at a TRL of 8 to 9.

The TRL is used to track the progression of a new technology from laboratory to commercialization, effectively ranking the maturity of a technology. For purposes of this solicitation, the CEC is relying upon the TRLs as defined in Table 1 of the U.S. Department of Energy’s [Technology](https://www.directives.doe.gov/directives-documents/400-series/0413.3-EGuide-04-admchg1/@@images/file) Readiness Assessment Guide, available at: https://www.directives.doe.gov/directives-documents/400-series/0413.3-EGuide-04-admchg1/@@images/file

The highest scoring application with a passing score within each project category will be recommended for funding, in order of their overall application score. If there are no applications with a passing score in a given category, that category will be omitted from this process.

After one application from each project category has been recommended for funding, the remaining funds will then be allocated to the next overall highest scoring application(s) with a passing score, regardless of the project category, in ranked order until all funds available under this solicitation are exhausted.

If the funds available under this solicitation are insufficient to fully fund a grant proposal, the CEC reserves the right to recommend partially funding that proposal. In this event, the proposed Applicant/Awardee and Commission Agreement Manager (CAM) shall meet and attempt to reach agreement on a reduced scope of work commensurate with the level of available funding.

## Availability of Funds

A total of $9.0 million is available for awards under this solicitation. The CEC, at its sole discretion, reserves the right to modify the amount of funding under this solicitation.

## Minimum and Maximum Award Amounts

The maximum awards based on the two Project Categories are as follows:

|  |  |  |
| --- | --- | --- |
| **Project Category** | **Project Subcategory** | **Maximum Award Amount** |
| Category 1 | Demonstration-Scale Fuel Production | 50 percent of total project costs or $3.0 million, whichever is less |
| Category 2 | Commercial-Scale Fuel Production: Expansion of an Existing Facility | 50 percent of total project costs or $4.0 million, whichever is less |
| Category 2 | Commercial-Scale Fuel Production: New Facility | 50 percent of total project costs or $5.0 million, whichever is less |

The minimum award per project is $1 million for both the demonstration-scale and commercial-scale categories. The commercial-scale fuel production category contains two unique subcategories: New Facility and Expansion of an Existing Facility. The project requirements for each category and subcategory is described in Section II.B.

## Maximum Number of Applications

Applicants may submit multiple applications under this solicitation. Each proposed project must be separate and distinct and adhere to all requirements contained in this solicitation.

## Pre-application Workshop

There will be one Pre-Application Workshop; participation in this meeting is optional but encouraged. The Pre-Application Workshop will be held remotely through Zoom at the date and time listed below. Please call (916) 891-8474 or refer to the CEC's solicitation information website at <https://www.energy.ca.gov/funding-opportunities/solicitations> to confirm the date and time.

**February 23, 2023**

10:00 a.m. – 11:30 a.m.

**Remote Access Only**

Remote access is available by computer or phone via Zoom.

## Participation Through Zoom

Zoom is the CEC's online meeting service. When attending remotely, presentations will appear on your computer/laptop/mobile device screen, and audio may be heard via the device or telephone. Please be aware that the Zoom meeting will be recorded.

**Zoom Instructions:**

To join this workshop, go to [Zoom](https://energy.zoom.us/j/87146329956?pwd=T002SlhDcUhXcTNXTGRseGFndmNRdz09) at https://energy.zoom.us/j/87146329956?pwd=T002SlhDcUhXcTNXTGRseGFndmNRdz09.

You may also access the workshop by going to the [Zoom webpage](https://join.zoom.us) at https://join.zoom.us and enter the unique meeting ID and password below:

**Meeting ID:** 871 4632 9956

**Meeting Password:** 569822

**Topic:** Pre-Application Workshop for Ultra-Low-Carbon Fuel: Demonstration- and Commercial-Scale Production Facilities Utilizing Forest Biomass

**Telephone Access Only:** Call (888) 853-5257 or (888) 475-4499(toll-free). When prompted, enter the unique meeting ID number above. To comment over the telephone, dial \*9 to “raise your hand” and \*6 to mute/unmute your phone line. International numbers available: <https://energy.zoom.us/u/aHWkF0IsY>.

**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 (888) 799-9666 ext. 2, or you may contact the CEC’s Public Advisor’s Office at [publicadvisor@energy.ca.gov](mailto:publicadvisor@energy.ca.gov), or (800) 822-6228.

To determine whether your computer is compatible with Zoom, visit:

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

## Questions

Applicants may ask questions at the Pre-Application Workshop, and may submit written questions via e-mail to the Commission Agreement Officer (CAO) listed in Part I of this solicitation. However, all technical questions must be received by the deadline listed in the “Key Activities and Dates” table 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 CAO at any time prior to 5:00 p.m. of the application deadline date.

Question and answer sets will be posted on the [CEC’s solicitation information website](https://www.energy.ca.gov/funding-opportunities/solicitations) at: https://www.energy.ca.gov/funding-opportunities/solicitations.

Any verbal communication with an CEC employee concerning this solicitation is not binding on the State and shall in no way alter a specification, term, or condition of the solicitation. All communication must be directed in writing to the CAO assigned to the solicitation.

## Contact Information

Kevyn Piper, Commission Agreement Officer

California Energy Commission

715 P Street, MS-18

Sacramento, California 95814

E-mail: [Kevyn.Piper@energy.ca.gov](mailto:Kevyn.Piper@energy.ca.gov)

## Reference Documents

Applicants responding to this solicitation may want to familiarize themselves with the following documents:

1. Clean Transportation Program Investment Plans <https://www.energy.ca.gov/programs-and-topics/programs/clean-transportation-program/clean-transportation-program-investment>
2. 2022-2023 Investment Plan Update for the Clean Transportation Program  
   <https://www.energy.ca.gov/publications/2022/2022-2023-investment-plan-update-clean-transportation-program-0>
3. Energy Commission Agreement Management System (ECAMS) Resources  
   <https://www.energy.ca.gov/funding-opportunities/funding-resources/ecams-resources>
4. California Environmental Protection Agency, Office of Environmental Health Hazard Assessment. CalEnviroScreen 4.0. <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>

Applicants are encouraged to use CalEnviroScreen 4.0 when applying for funding under this solicitation.

1. [California Environmental Protection Agency, California Air Resources Board, Low Carbon Fuel Standard](https://ww2.arb.ca.gov/our-work/programs/low-carbon-fuel-standard)

<https://ww2.arb.ca.gov/our-work/programs/low-carbon-fuel-standard>

1. [California Wildfire and Forest Resilience Action Plan](https://www.fire.ca.gov/media/ps4p2vck/californiawildfireandforestresilienceactionplan.pdf) https://www.fire.ca.gov/media/ps4p2vck/californiawildfireandforestresilienceactionplan.pdf
2. [California Joint Institute for Wood Products Innovation](https://bof.fire.ca.gov/media/mn5gzmxv/joint-institute-forest-biofuels_final_2022_ada.pdf) <https://bof.fire.ca.gov/media/mn5gzmxv/joint-institute-forest-biofuels_final_2022_ada.pdf>
3. California Department of Conservation, Forest Biomass to Carbon-Negative Fuel Pilot Program <https://www.conservation.ca.gov/cgs/fbp>
4. California’s 2020-2023 Unified Strategic Workforce Development Plan  
   <https://cwdb.ca.gov/plans_policies/2020-2023-state-plan/>

# Eligibility Requirements

## Applicant Requirements

1. **Eligibility**

This solicitation is open to all public and private entities. To be eligible, applicants must have a business presence in California.

1. **Terms and Conditions**

Each grant agreement resulting from this solicitation will include terms and conditions that set forth the grant recipient’s rights and responsibilities. By providing the authorizations and certifications required under this soliciation, each Applicant agrees to enter into an agreement, if awarded, with the CEC to conduct the proposed project according to the terms and conditions that correspond to its organization, without negotiation: (1) University of California and California State University terms and conditions; (2) U.S. Department of Energy terms and conditions; or (3) standard terms and conditions. The standard terms and conditions are located at [CEC's funding resources website](http://www.energy.ca.gov/research/contractors.html) at <https://www.energy.ca.gov/funding-opportunities/funding-resources>.

Failure to agree to the terms and conditions by taking actions such as failing to provide the required authorizations and certifications or indicating that acceptance is based on modification of the terms may result in rejection of the application. Applicants must read the terms and conditions carefully. CEC reserves the right to modify the terms and conditions prior 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 proposed for funding). For more information, contact the Secretary of State’s Office via the [Secretary of State’s Office website](http://www.sos.ca.gov) at 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 a CEC Business Meeting.

## Project Requirements

To be eligible for funding, projects in both funding categories must meet all of the following requirements:

* + - 1. The proposed project must be located in California. Project construction and operations must also occur in California.
      2. The proposed project must reduce GHG emissions from on-road motor vehicles through the produced fuel’s use as a transportation fuel.
      3. The proposed project must use at least 60 percent or more of forest biomass as the primary feedstock. The remaining feedstock must be an eligible, renewable feedstock, as discussed in the Section II.C.

To be eligible for funding in the Demonstration-Scale project category, the project must utilize at least 2.0 dry tons of feedstock per day with at least 60 percent or more from forest biomass.

The Commercial-Scale project category has two unique project subcategories: New Facility and Expansion of an Existing Facility. The eligibility of a project under each subcategory is as follows:

a. New Facility is a proposed project that:

* Constructs and operates a new, ultra-low-carbon fuel production facility.
* Produces at least 1.0 million Diesel Gallon Equivalents (DGE) per year of eligible fuel for on-road transportation use.
* If the proposed project is located at an existing fuel production site, the new fuel production technology must be implemented as a stand-alone facility and be able to operate independently of the currently used fuel production technology.

b. Expansion of an Existing Facility is a proposed project that:

* Constructs, modifies or installs equipment to increase production capacity of ultra-low-carbon fuel at an existing fuel production facility.
* Increases production by at least 1.0 million DGE per year of eligible fuel for on-road transportation use.

1. Eligible ultra-low-carbon fuels for fuel production include biomethane, diesel substitutes, renewable hydrogen, and electricity for transportation use. For purposes of this solicitation, eligible ultra-low-carbon fuels from forest biomass include the following:

**Biomethane.** Biomethane is renewable natural gas produced from organic material.

**Diesel substitutes.** These include renewable diesel, biodiesel, or other suitable substitutes. These products can be used in pure form or blended.

**Renewable Hydrogen.** The renewable hydrogen must reduce on-road motor vehicle air emissions through use as a transportation fuel.

**Electricity for Transportation Use.** Electricity must be produced from an eligible feedstock and dedicated for use in transportation.

Gasoline substitutes (including ethanol, biobutanol, renewable gasoline or other suitable substitutes); sustainable aviation fuels; and marine fuel and other off-road fuel can be produced at the proposed production site. However, for scoring purposes, the Evaluation Committee will only consider the eligible fuels’ portion of the project. Costs specifically associated with expanding production of these other fuels will also not be eligible for funding.

1. The proposed project must produce a fuel with a calculated carbon intensity of 30 grams carbon dioxide equivalent per megajoule (gCO2e/MJ or less.
2. Repurposing of an existing CEC-funded project is not an eligible project type for funding under this solicitation. However, projects may co-locate at an existing CEC-funded project site if it will not reduce the existing project’s performance.

## Eligible Feedstocks

For purposes of this solicitation, the project must use 60 percent or more of forest biomass as the primary feedstock. The remaining feedstock composition may be other waste or woody biomass to improve the sourcing feasibility of the proposed project. Biomass is defined as any organic material not derived from fossil fuels or inorganic greenhouse gases, including, but not limited to:

* Agricultural crops
* Agricultural waste and residues
* Rangeland maintenance residues
* Biosolids
* Sludge derived from organic matter
* Landscape and right-of-way tree trimmings[[1]](#footnote-2)
* Wood waste from timbering operations
* Mill residues that result from milling lumber
* Waste pallets
* Crates
* Dunnage, manufacturing, and construction wood wastes
* Wood

The following are ineligible feedstocks:

* Landfill gas
* Dairy waste

## Eligible Project Costs

Costs incurred for the following activities are eligible for CEC reimbursement or as the Applicant’s match share:

1. Facility pre-engineering and design.
2. Engineering plans and specifications.
3. Building and facility construction, modifications, and/or commissioning.
4. Asset and/or equipment acquisition, including terminal storage and infrastructure equipment.
5. Feedstock development activities.
6. Verification of advanced ultra-low-carbon fuel attributes and characteristics, and data collection and modeling.
7. Enhancement of commercial ultra-low-carbon fuel production technology.
8. Facility process efficiency improvements leading to reductions in GHG emissions.
9. Process improvements to accommodate lower carbon intensity feedstock and fuel production.

The CEC will not reimburse for land acquisition, but this may be counted towards match share. See Match Funding Requirements.

Costs of ultra-low-carbon fuel production from ineligible feedstocks are not eligible as reimbursed or match share costs and will not be considered in the scoring and evaluation of a proposed project.

NOTE: Costs incurred for operation of the facility, such as feedstock purchases, cost for transportation of feedstock, cost for transportation of fuel, costs of off-site fueling infrastructure, infrastructure costs of feedstock,and vehicle purchases and vehicle-related expenses are ineligible for reimbursement or match share costs. Costs incurred prior to executing an agreement will not be reimbursed by the CEC.

## Match Funding Requirements

1. **Total Match Share Requirement**

Applications must include a minimum 50 percent total match share of the total allowable project cost.

“Match funding” or “match share” means cash or in-kind (non-cash) contributions provided by the Applicant/Recipient, subrecipients, or other parties that will be used in performance of the proposed project. Match share percentage is calculated by dividing the total match share contributions by the total allowable project cost. *“*Total allowable project cost” is the sum of the CEC’s reimbursable share and Recipient’s match share of the project costs. Match share expenditures have the following requirements:

1. At a minimum, total match share must conform to the “Cash Match Share Requirement” contained in this solicitation.
2. All match share expenditures must conform to the terms and conditions of this solicitation and the resulting agreement (see Attachment 09).
3. Applicants must disclose the source and provide verification and documentation for the match share funding committed to the project. (For any match share committed by a third party (i.e., other than match share committed by the Applicant), Applicants must submit a letter from each match share partner identifying the source(s) and availability of match funding.)
4. During the term of the agreement, Recipients will be required to document and verify all match share expenditures through invoices submitted to the CEC.
5. Match share funding may be in the form of cash or in-kind contributions such as donated labor hours, equipment, facilities, and other property.
6. Equipment, facilities, and property may count as match funds as long as the value of the contribution 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 (GAAP).
7. Match share expenditures (cash and/or in-kind) must be documented, reasonable, allowable, and allocable to the project as determined by the CEC.
8. Match share expenditures are allowable under an agreement only if they are incurred after the CEC notifies the Applicant that its project has been proposed for an award through the release of a Notice of Proposed Awards (NOPA). Match expenditures incurred after release of the NOPA but prior to the execution of an agreement are made at the Applicant’s own risk. The CEC is not liable for Applicant’s match share expenditures if the grant is not approved, if approval is delayed, or if the match share expenditure is not allowable under the terms and conditions of the grant or this solicitation. Please note that non-match expenditures incurred prior to agreement execution are not reimbursable from CEC funds.
9. Any match funding pledged in the Application Form (Attachment 01) 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 01 must match this amount). Only the total amount pledged in the commitment letter(s) will be considered as eligible match.
10. **Cash Match Share Requirement**

Applications must include a minimum cash contribution equal to at least 50 percent of CEC funding.

For example, Project A, requesting $5 million in CEC funding and contributing $5 million in match funding, must dedicate at least $2.5 million in cash contributions. On the other hand, Project B, requesting $5 million in CEC funding and contributing $10 million in match funding, still need only dedicate at least $2.5 million in cash contributions.

Cash match means the net of any funds actually expended by the Applicant for the project. Net means after any sort of discount or rebate is applied. Expenditures for Applicant’s compensated labor hours, including allowable fringe benefit and overhead rates, travel, materials, supplies, equipment, subrecipient costs, and other miscellaneous expenditures may be claimed as cash match if the expenditures are included in the approved agreement budget, paid in full with funding sources other than grant funds, and supported with appropriate documentation, including proof of payment. For indirect overhead, backup documentation, such as a cost allocation plan based on actual expenditures incurred and paid, is required. Cost allocations must be reasonable and allocable to the proposed project.

1. **In-Kind Match Share**

The balance of the total match share requirement beyond the cash match share requirement (if any) may be met through in-kind match share contributions.

In-kind match share contributions are: 1) non-cash contributions provided by the Applicant; 2) cash or non-cash contributions provided by subrecipients; and 3) cash or non-cash contributions provided by other third parties. Applicant in-kind match share can be in the form of volunteer labor, real property, existing equipment, existing supplies, services provided by a third-party or subcontract, and other expendable property (property). The value of in-kind match is based on the fair market value of the goods and services provided at the time it is claimed as match. In-kind match share must be included in the approved agreement budget and supported with appropriate documentation. Cost allocations must be reasonable and allocable to the proposed project.

1. **Match Share Restrictions**
2. ***Other Sources of CEC Funding*** – Other sources of CEC funding may not be claimed as match share.
3. ***Property Not Owned by the Applicant*** – Donated property may be claimed as match based on the fair market value of renting or leasing the property. Fair market value is based on rental costs of comparable property (if any), market conditions in the area, alternatives available and the type, life expectancy, condition, and value of the property.
4. ***Existing Property Owned by the Grant Recipient*** – Applicants may use the property’s depreciation expense as a method to allocate the value of the property to the project. Valuation will need to be documented to support the initial acquisition costs as well as the method of depreciation.
5. ***Valuation of Land*** –Land cannot be depreciated. If the value of land is claimed as match, the Applicant must provide documentation to support a fair market value for the use of the land (i.e., rent or lease cost) for the time period it is used. Appraised value of land cannot be used since this represents the full value of the land if it is sold which includes value beyond the term of the proposed project.
6. ***Property Owned by a Related Party –*** Related parties are individuals or other entities that are able to control or substantially influence the actions of the Applicant and includes spouses, board members, family members of principals or employees of the Applicant as well as property owned by principals/employees of the Applicant. Because agreements between related parties are “less than arms-length” transactions, Applicants must disclose to the CEC the relationship and be able to support the fair market value of property that is claimed as match.

If CEC funds are used to reimburse lease/rental payments for property owned by a related party, the Applicant can only claim the lesser of fair market value or actual lease payments, regardless of lease agreement terms.

1. ***Prorated Value of Property*** – The allowable claimed value of property must be prorated based on the percentage the property is used for the proposed project. For example, if only half of a building is being used for the proposed project, then only 50 percent of the monthly fair market value of the entire building can be claimed as match while the building is being used for the project.
2. ***Documentation*** – If selected for an award, all claimed match share expenditures must be adequately documented to the CEC during the agreement invoicing process which may include, but is not limited to: the fair market value of existing property, methodology to allocate existing property on a prorated basis, lease agreements, and other appropriate documentation.

## Unallowable Costs (Reimbursable or Match Share)

For an item of cost to be allowable for reimbursement with CEC funds or as match share expendiure, it must be included in the executed agreement budget and allowable per the terms and conditions of the resulting agreement. The following are examples of unallowable costs under an agreement resulting from this solicitation. This list is not comprehensive and additional items of cost may be unallowable in accordance with the terms and conditions.

1. ***Forgone Profit*** – For example, if a company usually charges 10 percent profit but only charges 4 percent to the CEC. The unclaimed difference is not an allowable item of cost.
2. ***Forgone Rent*** – For example, rent that is not paid is not an allowable item of cost.
3. ***Discounted or Refunded Equipment Costs*** – For example, a claim that equipment costs $10,000 but the grant recipient only pays $6,000 due to some “special” discount. The difference of $4,000 is not an allowable match share expense. Another example is if the grant recipient actually pays $10,000 but the vendor refunds $4,000 – only the net $6,000 is an allowable item of cost.
4. ***Foregone Salary, Fringe, Indirect or Other Types of Cost*** – For example, a person normally charges or is paid $100 per hour, but will only charge $50 per hour towards the CEC award. Only actual costs incurred and paid to the employee are allowable. Therefore, if an employee is actuallypaid $100 per hour and the CEC only reimburses at $40 per hour, then the unreimbursed $60 per hour is an allowable match share cost because this is an actual payment as opposed to a foregone salary amount. Volunteer labor (i.e., labor from a person who does not receive any compensation for their labor) may be an allowable in-kind match share expense if the value of the labor is reasonable and justified.
5. ***Costs Incurred in the Operation of the Fuel Production Facility.*** For example,feedstock purchases, cost for transportation of feedstock, cost for transportation of fuel, costs of off-site fueling infrastructure, infrastructure costs of feedstock, and vehicle purchases and vehicle-related expenses are all ineligible.

## Applicant Performance

An Applicant’s performance, if any, under an existing or prior CEC agreement will be considered as part of an Applicant’s score in the Past Performance criteria.

Furthermore, in addition to all rights afforded the CEC under the terms and conditions of any existing or prior agreements between the CEC and Applicant or any other rights afforded the CEC by law, the CEC reserves the right to cancel an agreement awarded under this solicitation due to poor performance by Applicant under an existing CEC agreement.

## Data Collection

Applicants that are awarded funds will be required to collect and submit operation and performance data to the CEC for a minimum of six (6) months after the proposed project becomes operational.

## Agreement and Subaward Execution

An Applicant to this solicitation that receives an award shall commit to executing its grant agreement with the CEC within 60 days after approval of the award at a CEC business meeting. Additionally, projects recommended for funding must execute all subawards (e.g., feedstock, technology, off-take agreements) within 90 days of the executed agreement with the CEC. The CEC reserves the right to cancel proposed awards that do not meet the agreement execution deadline, and without limitation of any other rights may cancel an awarded agreement for failure to meet the subcontract execution deadline.

## CEQA Compliance Timelines

1. ***Time is of the essence.*** Funds available under this solicitation have encumbrance deadlines as early as **June 30, 2025**. Prior to approval of a proposed award, the CEC must comply with the California Environmental Quality Act (CEQA), and other applicable environmental review requirements. In general, the CEC is required to make its own independent CEQA determination and the level of review required by CEQA depends on the facts of the specific project.

To comply with CEQA, the CEC must have CEQA-related information from Applicants and sometimes other entities, such as local governments, in a timely manner. Applicants recommended for funding in the NOPA must submit pertinent information within 6 months after the NOPA is posted or risk having their projects not funded. Unfortunately, even with this information, the CEC may not be able to complete its CEQA review prior to the encumbrance deadline for every project. If, for example, 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 CEC to comply with CEQA, and other applicable environmental review requirements, and provide all related information to the CEC in a timely manner such that the CEC is able to complete its review in time for it to meet its encumbrance deadline. If another agency has already made a CEQA determination as the lead agency, that may expedite the CEC’s review. For this reason, in the proposal package, it may be helpful for Applicants to include already received permits and associated CEQA determinations from other agencies (e.g., a local agency where the project will take place). Otherwise, to maintain the schedule for a grant agreement to be approved at a CEC business meeting, it is recommended that Applicants submit all CEQA documentation including a CEQA determination already made by a lead agency to the CEC as soon as possible and **no later than 6 months after the NOPA is posted**.

1. ***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 or other environmental review associated with a proposed project would not likely be completed prior to the encumbrance deadline referenced above, and that the CEC’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 or other environmental review. Examples of situations that may arise related to environmental 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 a 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 or other environmental review requirements within the encumbrance deadline, and are only provided as further clarification for potential Applicants. Please plan project proposals accordingly.

# III. Application Format, Required Documents, and Delivery

## Required Format for an Application

This section contains the format requirements and instructions on how to submit an Application. The format is prescribed to assist the Applicant in meeting State requirements and to enable the CEC to evaluate each Application uniformly and fairly. Applicants must follow all Application format instructions, answer all questions, and supply all requested information.

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.

## Methods For Delivery

The method of delivery for this solicitation is the [CEC’s Grant Solicitation System(GSS)](https://gss.energy.ca.gov/), available at https://gss.energy.ca.gov/. This online tool allows Applicants to submit their electronic documents to CEC prior to the date and time specified in this solicitation. Electronic files must be in Microsoft Word (.doc or .docx format) and Excel Office Suite (.xls or .xlsx format) unless originally provided in the solicitation in another format. Completed Budget Forms, Attachment 05, 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 pm. 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](https://www.energy.ca.gov/media/1654) 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 listing all the documents that have been uploaded by the Applicant. Applicants should review the confirmation email to ensure that all the required documents under the solicitation have been successfully uploaded. A tutorial of the system will be provided at the pre-application workshop and you may contact the CAO identified in the Questions section of the solicitation for more assistance.

## Page Limitations

The total number of pages for each application is limited to 30 pages. Application forms, table of contents, executive summaries, resumes, scope of work, schedule of products and due dates, budget forms, contact list, letters of support/commitment, CEQA worksheet, Localized Health Impacts Information, Past Performance Reference, and Calculation Tables do not count towards this page limitation.

## Confidential Information

Sections of the Business Plan specified as follows may be provided as confidential information if submitted as a separated, clearly-labeled volume of the Application as Attachment 12.

Specifically, corporate financial records, technology trade secrets, and price components of feedstock purchase agreements and off-take agreements provided to meet the requirements of this section may be submitted to the CEC as confidential information as part of a clearly-labeled, separated volume of the Application and also included in Attachment 12.

Corporate financial records include: balance sheets and cash flow statements, and 5-year pro forma statements.

A technology trade secret is defined as a formula, practice, process, design, instrument, pattern, commercial method, or compilation of information which is not generally known or reasonably ascertainable by others, and by which a business can obtain an economic advantage over competitors or customers.

Price components, such as the price received for goods sold in feedstock purchase agreements and off-take agreements, will be kept confidential. Applicants should submit two copies of such agreements: one with price information redacted that is included in the non-confidential portion of the application, and another with price information shown that is included in the separate section of confidential documents.

***NOTE:*** Award recipients will be required to adhere to all invoice requirements including sufficient and appropriate documentation to substantiate both reimbursable and match share expenditures. All invoice documentation will become public records, including the identity of the subrecipient or supplier and the prices of eligible expenses.

The specified technology, marketing, and financial information requested from Applicants will be kept confidential by the CEC, pursuant to California Government Code sections 7927.705 and 7927.605 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.

The specified technology, marketing, and financial information described above will be kept confidential from receipt to seven (7) years following the posting of the NOPA, after which time the records will become public.

Information provided by Applicants, other than the specified technology, marketing, and financial information listed above, is only confidential until the release of the NOPA. The CEC does not warrant that information, other than the specific information described above, will be kept confidential following the posting of the NOPA. Applicants should not submit materials that are marked or otherwise delineated as confidential, except for the technical, financial and marketing information specified herein. Any such materials will be returned to the Applicant and not considered.

Information clearly marked and meeting the confidentiality provisions of the solicitation will not count towards the 30-page limit of the application.

Confidential information as described in this section and included as a separated, clearly-labeled volume of the Application as Attachment 12 will only be considered for evaluation under the Business Plan criteria. Any other information included as confidential and pertaining to other scoring criteria will not be considered.

## Application Organization

### All items listed below are required as part of the application package. Failure to provide any items may result in disqualification of the application. Attachment requirements are expanded and explained below in this section and in the attachments themselves. The items that have “N/A” in the “Attachment Number” column are required to be submitted as part of the application package, but do not have an associated attachment provided in this solicitation package.

|  |  |  |
| --- | --- | --- |
| **Item** | **Attachment Number (if applicable)** | **Action Needed by Applicant** |
| Application Form | Attachment 01 | Complete form |
| Table of Contents | N/A | Create document |
| Executive Summary | N/A | Create document |
| Project Narrative | N/A | Create document |
| Scope of Work (SOW) | Attachment 02. See also SOW Instructions in Attachment 03. | Complete document |
| Schedule of Products and Due Dates | Attachment 04 | Complete document |
| Project Team Resumes | N/A | Create document |
| Previous Work Products (Optional) | N/A | Create document |
| Budget Forms | Attachment 05 | Complete form |
| Contact List | Attachment 06 | Complete form |
| Letters of Support/Commitment | N/A | Create document |
| CEQA Worksheet | Attachment 07 | Complete document |
| Photographic Evidence of the Proposed Project Location | N/A | Create document |
| Localized Health Impacts Information Form | Attachment 08 | Complete form |
| Past Performance Reference Form(s) | Attachment 10 | Complete form |
| Calculation Table | Attachment 11 | Complete form |
| Confidential Volume (if applicable, see Section III.D) | Attachment 12 | Create document |

1. **Application Form (Attachment 01)**

Applicants must include a completed Application Form.

All Applicants must authorize the CEC to make any inquiries necessary to verify the information presented in the Application. Further, all Applicants must authorize the CEC to obtain a credit report on the Applicant’s organization.

All Applicants must certify under penalty of perjury under the laws of the State of California that:

* All confidential information submitted (if allowed under the solicitation) has been properly identified.

***NOTE: The CEC reserves the right to determine whether confidential information submitted adheres to the confidentiality requirements contained in the solicitation and state law, including CEC regulations. Applicants purposely or erroneously designating information as confidential beyond what is allowable in accordance with the solicitation and state law may lead to rejection and disqualification of the Application.***

* All information in the application is correct and complete to the best of the Applicant’s knowledge.
* The Applicant has read and understands the terms and conditions and will accept them without negotiation if awarded.
* The Applicant has received any required licenses (such as copyrights or trademarks) applicable to the submitted application.
* The person electronically submitting the application through the Grant Solicitation System is an authorized representative of the Applicant.

***For Applicants using the electronic submission through the Grant Solicitation System***, checking the “I Agree” box and clicking the “I Agree & Submit” button provides confirmation of the required authorizations and certifications listed above.

The CEC may have waived the requirement for a signature on application materials for this solicitation. If a notice regarding the CEC’s waiver of the signature requirement appears on the [CEC's solicitation information website](https://www.energy.ca.gov/funding-opportunities/solicitations): 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.

1. **Table of Contents**

Each application must include a table of contents that allows for easy navigation and location of relevant information.This will not count towards the page limitations.

1. **Executive Summary**

Each application must contain an Executive Summary that, at a minimum, includes: a project description, project goals, and quantitative and measurable objectives to be achieved. The maximum length of the Executive Summary is two (2) pages. This will not count towards the page limitations.

1. **Project Narrative**

The Project Narrative is limited to a maximum of 30 pages. The Project Narrative must include a detailed description of the proposed project, its operational goals and objectives, and an explanation of how these will be implemented through the tasks described in the Scope of Work.

Applicants must address each of the evaluation criteria described in Section IV.E by providing sufficient, unambiguous detail so that the Evaluation Committee will be able to evaluate the application against each evaluation criterion.

The Project Narrative must respond directly to each criterion with the headings as titled below, and must include the following information:

* + 1. **Project Team Qualifications**

Describe how the project team’s qualifications (including relevant expertise, experience, and skill sets) are suitable to the tasks described in the proposed Scope of Work.

Describe current or past ultra-low-carbon fuels projects, including production related experience, identifying project size, location, and completed deadlines or milestones.

Explain and demonstrate how project team members’, key project partners’, equipment/technology provider’s, and Engineering, Procurement, and Construction contractor’s (if applicable) qualifications, skills, abilities, and relevant technical and business experience align with the needs of and with the successful completion of the proposed project.

Explain how the project teams completed past agreements with the CEC, including responding to requests from CEC in a timely manner, delivering the products successfully, finishing tasks according to the schedule, and reaching the project goals completely.

* + 1. **Business Plan**
       1. ***Technology Plan.***

Describe the technology in sufficient detail to explain how it works and its technical feasibility. Graphical or block flow diagrams shall be used to illustrate the technology and process. Performance test data for the technology being used should be provided to support feasibility claims.

Describe the proposed project’s technology readiness for commercial scale production. Provide verification contacts if applicable. Describe how the proposed technology is adequate to achieve the goals and objectives of the proposed project. The Applicant must demonstrate a verifiable Technology Readiness Level (TRL) 7 for projects in the Demonstration-Scale Fuel Production category (Category 1) and TRL 8-9 for projects in the Commercial-Scale Fuel Production category (Category 2).

Describe how proposed technologies and processes contribute to the facility’s / project’s ability to compete in the commercial California marketplace and increase the in-state production of ultra-low-carbon fuels. Provide assumptions and sources of relevant data.

Identify and document the role of technology partners, including the legal or contractual relationship and obligations between partners.

Discuss how the proposed technology is a transformative approach to tackling a critical technology issue or market barrier, if applicable.

Discuss the replicability of the proposed technology and/or the long-range scale-up plans to expand capacity, if applicable.

* + - 1. ***Marketing Plan***

Identify credible target markets, populations, market drivers, and anticipated market growth.

Identify and adequately address identified market barriers and existing or potential competition.

Describe and document the role of strategic marketing partners, customers, and other partners in ensuring project success, including fuel and co-product off-take agreements.

* + - 1. ***Financial Plan***

Demonstrate economic viability of the proposed project by providing the following financial documentation (with assumptions listed) over the duration of the proposed project.

* + - * 1. Provide balance sheet and cashflow statement for Applicant’s firm for the past three (3) years, as available. Years should include 2019, 2020, and 2021, if applicable. Documents are preferred tobe audited and certified by Certified Public Accountant (CPA). If audited financial statements for 2019, 2020, and 2021 are not available by submission date, then financial statements certified by a CPA are acceptable. If certified financial statements for 2019, 2020, and 2021 are not available by submission date, then non-certified financial statements are acceptable. Note that non-certified financial statements will receive a lower score versus audited and certified financial statements.
        2. Provide a five (5) year pro forma statement for Applicant’s firm, including projected balance sheet, income statement, cashflow statement, and debt service schedule for existing and planned long-term debt, if any. List assumptions, including but not limited to, market supply and demand conditions of the industry, market fluctuations, and monthly or quarterly fixed cost and variable costs. If the proposed project is awarded, this five (5) year pro forma statement may be used to validate the project’s financial economic status during the agreement.
        3. Provide the sources of funding for the project, such as grants, loans and equity contributions, and types, terms, and conditions of match agreements. Project funding should be described by both financial resources and percentage of total equity. Provide contact information for each match source.

Identify the financial risks to the proposed project and describe the methods the Applicant will use to effectively manage and mitigate those risks. At a minimum, Applicant should address risks associated with construction, cost overruns, operation, maintenance, technology, regulations, and economic conditions.

Discuss variable feedstock cost and quality, and how the Applicant will ensure a sustainable feedstock supply, including procurement agreements, contracts, and supply chain logistics.

Demonstrate the economic viability of the long-term commercialization plan following project completion.

Identify and demonstrate how co-products or other revenue streams contribute to the business plan. Discuss assumptions about expected income from all revenue sources. Discuss how much project viability depends on co-product / tipping fee revenues.

Discuss estimated value and planned use of any potential Low Carbon Fuel Standard (LCFS), Renewable Fuel Standard Program (RFS2), and/or cap and trade credits. Discuss how the estimated value and planned use of any potential LCFS, RFS2, and/or cap and trade credits impact the long-term economic viability of the proposed project.

List any pending or filed litigation in which Applicant is a party, and explain the extent of Applicant’s liability coverage, if any. Please list only litigation that pertains to or impacts the project’s execution. Explain how the pending or filed litigation affects the Applicant’s ability to complete the project.

* + 1. **Project Readiness and Implementation**

1. Include information about the permitting required for the project and whether or not the permitting has been completed. If the permitting has not been completed, include a permitting schedule that ensures successful project completion within the timeframes specified in this solicitation.
2. Describe the proposed project site and document site and equipment control. Site and equipment control includes, but is not limited to: leases, ownership, or access rights.
3. Document progress towards achieving compliance under CEQA. If CEQA compliance has not been obtained, applications must include a schedule to complete CEQA activities for the proposed project. See CEQA worksheet below for the requirements for CEQA.
4. Describe planned community outreach, including outreach and discussions with fire marshals and educational efforts to explain the proposed project to the public with emphasis on outreach to the community impacted by the project. Applicants are encouraged to include support letters from communities impacted by or benefitting from the project.
5. Describe the status of developing agreements for feedstock supply and fuel off-take. For example, Applicants canprovide a letter of interest of existing potential feedstocks or purchasing the ultra-low-carbon fuels.
6. Describe how the feedstock being used for the project will be transported to proposed processing facility.
7. Describe how the proposed project will put thorough safety, maintenance, and training procedures in place.
8. Describe how the date for full production capacity and operation at capacity will be expedited.
9. Describe how the fuel being produced for the project will be transported to the off-taker of the fuel.
10. Describe how the project may utilize existing infrastructure or facilities.  
    * 1. **Project Budget and Cost Effectiveness**  
         1. Describe the cost-effectiveness of petroleum displacement in terms of CEC dollars per diesel gallon equivalent (DGE). Describe how the proposed project’s budget minimizes CEC funding per DGE of ultra-low-carbon fuel produced annually.
         2. Describe how the proposed project minimizes CEC dollars per metric ton of GHG emissions reduced on an annual and 5-year project life basis. Discuss how the proposed project results in a lower cost effectiveness score defined as the dollar of CEC funding per the amount of annual GHG reductions and on a 5-year project life.
         3. Demonstrate a rationale as to why state funds are necessary for the proposed project and identify why the proposed use of state funds is crucial to project success. Describe how state funds increase the ability to leverage private capital when the project assists in commercializing a technology, increase cost effectiveness of a technology, or utilize a sustainable and underutilized feedstock.
         4. Describe how the budget is reasonable. Describe and document how the proposed match share is committed to the project and the amount or dollar value is reasonable, available, and verifiable.
      2. **Project Benefits and Co-Benefits**
11. Describe how the proposed project will expand in-state ultra-low-carbon fuel production.
12. Describe and calculate the volume of petroleum transportation fuels displaced annually as a result of the eligible ultra-low-carbon fuels produced or blended by the proposed project, using the Calculation Table (Attachment 11) for reference. Calculate the petroleum displacement in terms of DGEs per year.
13. Provide the total weight of CO2 displaced in metric tons resulting from the proposed project on an annual basis, using the Calculation Table (Attachment 11) for reference. Report total carbon emissions displaced on an annual basis and substantiate calculations.

Provide carbon intensity of the proposed project’s resulting fuel in grams of CO2-equivalent per megajoule (gCO2e/MJ). Carbon intensities must be calculated using a method that conforms to CARB’s LCFS. Provide assumptions and calculations to substantiate claimed carbon intensities. The CARB calculation methodology guidance is available at: <https://www.arb.ca.gov/fuels/lcfs/guidance/guidance.htm#guidance>Report carbon intensity of the ultra-low-carbon fuel as a percentage reduction from the appropriate baseline and substantiate calculations. If the carbon intensity pathway of the proposed project has already been calculated through CARB’s LCFS process, Applicants must state so and provide the carbon intensity of the project’s fuel and the pathway identifier(s) from the Low Carbon Fuel Standard Reporting Tool and Credit Bank & Transfer System (LRT-CBTS) (<https://ssl.arb.ca.gov/lcfsrt/Login.aspx>), in lieu of the above.

1. Describe how the proposed project will result in a reduction of criteria and toxic air pollutant emission.
2. Describe how the proposed project preserves and/or enhances natural resources, including information related to water use efficiency or reclamation; use of sustainable or underutilized feedstocks that come from forest clearing or waste resources; renewable energy; or abandoned/reclaimed land.
3. Describe how the proposed project will result in a reduction of short-lived climate pollutants. Explain if and how the proposed project reduces short-lived climate pollutants, including but not limited to black carbon, fluorinated gases, and methane.
4. Describe how the proposed project will provide direct, meaningful and assured benefits to disadvantaged communities, low-income communities, priority populations, and/or tribal lands. Discuss air quality benefits, as well as health and safety, access and education, financial benefits, economic development, and consumer protection. Applicants should use the CalEnviroScreen 4.0 tool to identify disadvantaged communities and provide all zip codes for the proposed project. Applicants could include the benefits such as workforce development as shown in this link: <https://cwdb.ca.gov/plans_policies/2020-2023-state-plan/>
5. Describe how the proposed project will expand business opportunities for California-based businesses and how the proposed project results in high-quality jobs in terms of compensation and duration and related project payroll. Describe how the proposed project increases state and local tax revenues.
6. **Scope of Work (Attachment 02)**

Applicants must include a completed Scope of Work utilizing the template contained in Attachment 02. Instructions for completing the Scope of Work as well as a sample are included in Attachment 03. The description of activities proposed in the Project Narrative must conform to the tasks described in the Scope of Work. Electronic files for the Scope of Work must be in MS Word.

Applicants must present a comprehensive and credible Scope of Work which includes (presented in a logical manner) comprehensive and sequential tasks, products resulting from the individual tasks, and how the tasks are related to or are dependent on each other.

1. **Schedule of Products and Due Dates (Attachment 04)**

Applicants must include a completed Schedule of Products and Due Dates. All project work must be scheduled for completion by no later than **March 31, 2029** to allow timely processing of final invoices before the liquidation date of CEC funds. Instructions for the Schedule of Products and Due Dates are included in Attachment 04. The Schedule of Products and Due Dates must be in MS Excel.

1. **Project Team Resumes**

For each key individual working on the proposed project, applications must include a current individual resume including job title and description, relevant experience, education, academic degrees, professional licenses, and contact information. Resumes are limited to a maximum of 2 pages each.

1. **Previous Work Products (optional)**

Provide examples of past projects detailing technical and business experience of the Applicant (or any member of the project team) that is related to the proposed project.

1. **Budget Forms (Attachment 05)**
2. The Applicant must submit information on all tabs of the budget forms. The salaries, rates, and other costs entered must reflect the salaries, rates, and other costs the Applicant would include if selected as a grant recipient. A separate set of complete budget forms is required for the Applicant and for each subaward containing $100,000 or more of CEC funds.
3. Detailed instructions for completing these forms are included at the beginning of Attachment 05.
4. Rates and job descriptions shown must reflect rates and job descriptions charged under an agreement resulting from this solicitation. The salaries, rates, and other costs entered on these forms become a part of the final agreement. The entire term of the agreement and projected rate increases must be considered when preparing the budget. Unless a federally approved indirect rate is used, indirect rates proposed are considered capped and shall not change during the term of the agreement. The grant recipient shall only be reimbursed for their ***actual*** rates up to the indirect rate cap. A description of available indirect rate options is available on the ECAMS Resources webpage under [Budget Category Guidance](https://www.energy.ca.gov/funding-opportunities/funding-resources/ecams-resources/budget-category-guidance?auHash=cEItgat6JNbO9BFGeVqe4E5T6koCOgTaqliFX6bmwtg) for indirect rates. Unlike indirect rates, the rates for Direct Labor and Fringe Benefits are treated as estimates; a grant recipient can invoice at higher rates as long as it is only invoicing for ***actual*** expenditures it has made. The hourly or monthly rates provided shall be unloaded (before fringe benefits or indirect costs).
5. The information provided in these forms will **not** be kept confidential.
6. All reimbursable expenditures must be expended within the approved term of the grant agreement. Expenditures may be counted as match share only after the CEC notifies the Applicant that its project has been proposed for an award through the release of a Notice of Proposed Awards (NOPA). However, match expenditures incurred after release of the NOPA but prior to the execution of a grant agreement are made solely at the Applicant’s own risk.
7. Applicants must budget for the expenses of a Kick-off Meeting, at least one (1) Critical Project Review meeting, and a Final meeting. Meetings may be conducted at the CEC or by conference call, as determined by the CAM.
8. Applicants must budget for permits, insurance, etc. The CEC will not reimburse expenditures for permitting or insurance. However, these expenditures can be included as match share expenditure.
9. Applicants must budget for the preparation and submission of quarterly progress reports during the term of the agreement, and a Final Report. Instructions for preparing the Final Report will be provided to Applicants that are proposed for funding.
10. The purchase of equipment (defined as items with a unit cost greater than $5,000 and a useful life of greater than one year) with CEC funds will require disposition in accordance with the agreement terms and conditions. Typically, grant recipients may continue to utilize equipment purchased with CEC funds as long as the use is consistent with the intent of the original agreement. **There are no disposition requirements for equipment purchased with match share funding.**
11. The Budget must reflect estimates for ***actual*** costs to be incurred during the approved term of the agreement. The CEC can only approve and reimburse for actual costs that are properly documented in accordance with the grant agreement terms and conditions.
12. Applicants shall ***NOT*** budget for, and ***CANNOT*** be reimbursed for, more than their actual allowable expenses (i.e., the budget cannot include profit, fees, or markups) under the agreement. Subrecipients (all tiers) are allowed to include up to a maximum total of 10 percent profit, fees or mark-ups on their own actual allowable expenses less any expenses budgeted to sub-subrecipients (i.e., profit, fees and markups are not allowed on lower tier subrecipient expenses). For example, if a subrecipient has $100,000 in actual allowable costs but has budgeted $20,000 to a sub-subrecipient, then the subrecipient can only include up to 10 percent profit on $80,000 ($100,000 minus $20,000). See terms and conditions for additional restrictions and requirements.
13. ***IMPORTANT - Payment of Prevailing Wage:*** Applicants must read and pay particular attention to the terms and conditions section related to Public Works and payment of Prevailing Wages. Prevailing wage rates can be significantly higher than non-prevailing wage rates. Failure to pay legally-required prevailing wage rates can result in substantial damages and financial penalties, termination of the grant agreement, disruption of projects, and other complications.
14. **Contact List (Attachment 06)**

Applicants must include a completed Contact List by including the appropriate points of contact for the Applicant. The CEC will complete the CEC points of contact during agreement development.

1. **Letters of Support/Commitment**

Applicants must include appropriate letters of support/commitment. Letters must include sufficient contact information so the CEC is able to efficiently contact the letter writer, as necessary. Letters must be limited to 2 pages each.

* 1. **Key Project Partners (mandatory if applicable):** Key project partners identified in the application must provide letters demonstrating their commitment to the proposed project and their ability to fulfill their identified roles.
  2. **Third-party Match Share Contributors (mandatory if applicable):** Any third-party match share contributors must identify the intended amount of match, the funding source(s), and state that the match share contributor will provide the identified match funding. Letters of commitment from third party match share contributors must contain a telephone number to allow the CEC to contact the match share partner or representative to confirm their authority to commit matching funds to the proposed project. Applicants are encouraged to submit additional documentation, both public and confidential (see Section III.D), to further substantiate the commitment from each match share partner. Examples include past projects funded, with contacts.

Any match funding pledged in Attachment 01 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 01 must match this amount). Only the total amount pledged in the commitment letter(s) will be considered as eligible match.

* 1. **Letters of Support (optional):** Applicants are encouraged to submit letter(s) of support that substantiate the estimated demand and/or the potential benefits of the proposed project. Third-party letters of support can be provided by, but are not limited to: air districts, state or federal agencies, local safety officials, potential users of the proposed project, and any other relevant organizations.Support letters from the community, especially disadvantaged communities, low-income communities, priority populations, and/or tribal lands, should identify the specific social, economic, and environmental benefits that will be provided to the community.
  2. **Feedstock Commitments (optional):** Applicants are encouraged to submit copies of correspondence with commitments to supply feedstock for the proposed project.
  3. **Off-Take/Purchase Commitments (optional):** Applicants are encouraged to submit copies of correspondence with commitments to purchase or distribute the ultra-low-carbon fuels produced by the proposed project.

1. **CEQA Worksheet (Attachment 07)**

Applicants must include a completed CEQA Worksheet. The CEC requires this information to assist it in making its own determination under the California Environmental Quality Act (Public Resources Code Section 21000 et seq).

Applicants must complete the detailed CEQA Worksheet and submit it with their application. This worksheet will help Applicants and the CEC to determine CEQA compliance obligations by identifying which projects may require more extensive CEQA review. Failure to complete the worksheet may lead to disqualification of the application.

Applicants are encouraged to provide documentation of communication with the local lead agency, if one exists (e.g., a county or city). Documentation such as a completed notice of exemption, a letter from the local agency acknowledging their role in the CEQA process, or a permit application to the lead agency that is stamped as received. If no CEQA review would be required by the local lead agency, provide documentation (e.g. a letter or e-mail) from the local agency explaining why CEQA review is not required.

**Note Regarding Encumbrance Deadlines and Disclaimer:** The funds under this solicitation have a strict encumbrance deadline. The CEC must complete environmental review under CEQA and approve each grant agreement at a CEC Business Meeting prior to the applicable encumbrance deadline. Funds *must* be encumbered prior to June 30, 2025. To maintain the schedule for a grant agreement to be approved at the business meeting, it is recommended that Applicants submit all CEQA documentation including a CEQA determination already made by a lead agency to the CEC as soon as possible and **no later than six months after the NOPA is posted**.

Thus, if a project cannot complete CEQA review in time to meet the applicable encumbrance deadline, **the CEC reserves the right to cancel the proposed award** and recommend funding the next highest scoring award that can meet the encumbrance deadline, in addition to any other rights afforded the CEC by law, and regardless of the Applicant’s diligence in submitting CEQA information and materials. Further, the CEC is not liable for any costs incurred during environmental review or as a result of cancelling the proposed award.

1. **Photographic Evidence of the Proposed Project Location**

Applications must provide non-confidential photographic images with both date and time stamps of the proposed project location.

1. **Localized Health Impacts Information Form (Attachment 08)**

Applicants must complete and submit a Localized Health Impacts Information Form. The CEC requires this information to assist in developing and publishing a localized health impact report.

1. **Past Performance Reference Form(s) (Attachment 10)**

Applicants must complete and submit a separate Past Performance Reference Form for each CEC agreement (e.g., contract, grant or loan) entered into by the Applicant in the last 10 years and the 5 most recent executedagreements with other public agencies with an effective date of January 1, 2013, to the present. This does not include agreements that had severe performance issues, which are discussed below.

If an Applicant does not have an active or prior agreement(s) with the CEC, Applicants must still complete and submit a separate Past Performance Reference Form (Attachment 10) stating “No active or prior agreement(s)” on the form. Failure to submit a completed Past Performance Reference Form may lead to disqualification.

Applicants must disclose any severe performance issues in the Past Performance Reference Form or risk disqualification. Section IV.A.4 lists examples of severe performance issues. For the purposes of calculating the number of years for severe performance issues, use the date of the event (e.g., audit report date, settlement agreement date) dating back to January 1, 2013. Any agreement entered into before January 1, 2013, with severe performance issues must be disclosed, if the audit report date, settlement agreement date or other such resolution occurred on or after January 1, 2013.

1. **Calculation Table (Attachment 11)**

Applicant must complete and submit a calculation table.Information provided in the calculation table must match what the Applicant proposes in the Project Narrative. Applicants are encouraged to submit any supporting documentation that verifies the Applicant’s proposed fuel production capacity and carbon intensity of produced fuel.

1. **Confidential Volume (Attachment 12)**

Applicants who provide financial documentation to demonstrate financial and economic viability as described in the Business Plan criterion may provide it as confidential information if submitted as a separated, clearly-labeled volume of the Application as Attachment 12.

# IV. Evaluation Process and Criteria

## Application Evaluation

This section explains how the applications will be evaluated.

Applications will be evaluated and scored based on the responses to the information requested in this solicitation. The entire evaluation process from receipt of applications to posting of the Notice of Proposed Award is confidential. Please note that after the NOPA is posted, all applications, excluding specified technology, marketing, and financial information submitted in accordance with Section III.D, will be publicly available.

To evaluate all applications, the CEC will organize an Evaluation Committee. The Evaluation Committee may consist of CEC staff or staff of other California state entities. The Evaluation Committee may use additional technical expert reviewers to provide an analysis of applications.

**Screening Criteria**

The Contracts, Grants and Loans Office will screen applications for compliance with the Administrative Screening Criteria. The Evaluation Committee will screen applications for compliance with the Technical Screening criteria. Applications that fail any of the Administrative or Technical Screening Criteria shall be disqualified and eliminated from further evaluation.

* 1. **Administrative Screening Criteria**

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| --- | --- |
| **ADMINISTRATIVE Screening Criteria**  *The application must pass ALL administrative screening criteria.* | **Pass/Fail** |
| 1. The application is received by the CEC’s Contracts, Grants, and Loans Office by the due date and time specified in the “Key Activities Schedule” in Section I of this solicitation. | Pass  Fail |
| 1. The the Applicant provides the required authorizations and certifications. | Pass  Fail |
| 1. The Applicant has not included a statement that is contrary to the required authorizations and certifications. | Pass  Fail |
| 1. The Application does not contain confidential information or any portion marked confidential, except for information submitted in accordance with Section III.D, separated and clearly labeled as confidential. | Pass  Fail |

* 1. **Technical Screening Criteria**

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| --- | --- |
| **Technical Screening Criteria**  *The application must pass ALL technical screening criteria.* | **Pass/Fail** |
| 1. Applicant is eligible to apply under this solicitation (Section II.A, Applicant Requirements). | Pass  Fail |
| 1. Proposed project is eligible in accordance with this solicitation (Section II.B, Project Requirements). | Pass  Fail |
| 1. Proposed project meets the minimum match share requirement, if any. | Pass  Fail |
| 1. The Applicant passes the past performance screening criteria. | Pass  Fail |

* 1. **Applicant’s Past Performance Screening Criterion (Pass/Fail)**

An Applicant may be disqualified under this solicitation due to severe performance issues under one or more prior or active CEC agreement(s) within the last 10 years. An Applicant is defined as at least one of the following: the business, principal investigator, or lead individual acting on behalf of themselves—received funds from the CEC (e.g., contract, grant, or loan) and entered into an agreement(s) with the CEC.

Any Applicant that does not have an active or prior agreement equates to no severe performance issues and therefore would pass this screening criteria. However, an Applicant that does not have an active or prior agreement(s) with the CEC must still complete and submit a separate Past Performance Reference Form (Attachment 10) and state “No active or prior agreement(s)” on the form. Failure to submit a completed Past Performance Reference Form (Attachment 10) may lead to disqualification.

Severe performance issues are characterized by significant negative outcomes under an agreement and may include:

* Agreement was terminated with cause.
* CEC filed litigation against the Applicant.
* Severe audit findings are not resolved to CEC’s satisfaction. Severe audit findings may include but not limited to: incomplete or unsatisfactory deliverables; grant funds used inappropriately (i.e., other than as represented); or questioned costs.
* Project objectives were not met and were caused by factors that are, or should have been, within the Recipient’s control.
* Significant delays in project completion resulting in delayed benefits for California. Project completion delays of one year or more from the originally proposed project schedule and caused by factors within the Recipient’s control may be considered significant.
* Deliverables were not submitted to the CEC or were of poor quality. For example, Recipient delivers poorly written reports that required significant rework by staff prior to acceptance or publication.
* Demonstrated and documented poor or delayed communication when significant issues or setbacks were experienced that materially and negatively impacted the project. For example, delays in informing the CEC when the Recipient experiences loss of a key project partner or site control may be considered significant.
  1. **Grounds to Reject an Application**

In addition to the Screening Criteria identified within this solicitation, the CEC reserves the right to reject an application and/or cancel an award for reasons including, but not limited to the following:

1. The application contains false or intentionally misleading statements or references which do not support an attribute or condition contended by the Applicant.
2. The application is intended to erroneously and fallaciously mislead the State in its evaluation of the application and the attribute, condition, or capability is a requirement of this solicitation.
3. The application does not comply or contains caveats that conflict with the solicitation and the variation or deviation is material or it is otherwise non-responsive.
4. The Application contains confidential information that are not in accordance with Section III.D of this solicitation or if it is not separated, clearly-labeled volume of the Application.  
   1. **Technical Evaluation**

Applications passing all screening criteria will be submitted to the Evaluation Committee to review and score based on the Evaluation Criteria in this solicitation.

The Evaluation Committee reserves the right to schedule a clarification interview with an Applicant that will either be held virtually, by telephone, or in person at the CEC for the purpose of clarification and verification of information provided in the application. However, these interviews may not be used to change or add to the contents of the original application. Applicants will not be reimbursed for time spent answering clarifying questions.

The total score for each application will be the average of the combined scores of all Evaluation Committee members.

**A minimum score of 70 percent (7 points) is required for the Project Team Qualifications evaluation criterion to be eligible for funding.**

**A minimum score of 70 percent (14 points) is required for the Project Readiness and Implementation evaluation criterion to be eligible for funding.**  
  
**A combined minimum score of 70 percent (24.5 points) is required for the three Business Plan evaluation criteria to be eligible for funding.**

**A minimum overall score of 70 percent (70 points) is required for the application to be eligible for funding.**

Applications that receive a minimum overall score of 70 percent (70 points) and obtain the required minimum score in the Project Team Qualifications, Project Readiness and Implementation, and Business Plan (Technology, Marketing, and Financial Plan), evaluation criteria will be ranked according to their overall score and recommended for funding as described in Section I.E, How Award is Determined until available funding under this solicitation is exhausted.

## Notice of Proposed Awards

The results of the evaluation will be posted in a Notice of Proposed Awards (NOPA) and will include (1) the total proposed funding amount; (2) the rank order of Applicants; and (3) the amount of each proposed award. The CEC will publish the NOPA on the CEC’s website.

## Debriefings

Applicants that are not proposed for funding may request a debriefing after the release of the NOPA by emailing the CAO listed in Part I. A request for debriefing should be received no later than 15 days after the NOPA is released.

## Scoring Scale

Using this Scoring Scale, the Evaluation Committee will give a score for each criterion described in the Evaluation Criteria.

|  |  |  |
| --- | --- | --- |
| **% 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. |

## Evaluation Criteria

Applications that pass screening will be scored based on the following evaluation criteria.

The total score for each application will be the average of the combined score of all Evaluation Committee members. Only applications that receive a 70 percent or higher in the Project Readiness and Implementation criterion, Project Team Qualifications criterion, Business Plan (Technology, Marking, and Financial) criteria, and in the total score will be eligible for funding.

|  |  |
| --- | --- |
| **Evaluation Criteria** | **Maximum Possible Points** |
| **1. Project Team Qualifications:** Applications will be evaluated on the degree to which:   * The project team’s qualifications (including relevant expertise, experience, and skill sets) are suitable to the tasks described in the proposed Scope of Work. * The project team has verifiable low-carbon fuels production related experience. * Qualifications, skills, abilities, and relevant technical and business experience of project team, key project partners, Engineering, Procurement, and Construction contractors , and equipment/technology providers, as they align with the needs of the project and with the successful completion of the proposed project. * Applicant has performed satisfactorily under other CEC funded agreements and has fulfilled/is fulfilling agreement requirements. * The Applicant and project team have demonstrated exceptional administrative and technical performance under existing or prior funding agreements (CEC and/or other public agencies), if the Applicant worked on such projects, including: * Adherence to schedule and due dates. * Effective and timely issue resolution. * Quality of deliverables. * Objectives of past projects have been attained. * Honest, timely, and professional communication with staff from the funding entity. * Effective coordination with project partners, subcontractors, and other stakeholders. * Timely and accurate invoicing.   **NOTE: Applications must obtain a minimum passing score of 7 points within this evaluation criterion to be eligible for funding.** | 10 |
| **2.1** **Business Plan– Technology Plan:** Applications will be evaluated on the degree to which:   * The Applicant describes the technology in sufficient detail to explain how it works and its technical feasibility. The Applicant includes a graphical or block flow diagram that is detailed, comprehensive, and demonstrates technical feasibility. * Performance test data demonstrates the proposed technology has successfully been deployed and operated beyond lab-scale. * The proposed technology’s Technology Readiness Level (TRL) demonstrates the project’s commercial viability. Project technology must demonstrate a verifiable TRL 7 for demonstration-scale projects and TRL 8 to 9 for commercial-scale projects. * The proposed technology is adequate to achieve the goals and objectives of the proposed project. * The proposed technologies and processes contribute to the facility’s / project’s ability to compete in the commercial California marketplace and increase the in-state production of ultra-low-carbon fuels. * The roles of technology partners are identified, documented and secured, including the legal or contractual relationship and obligations between partners. * The proposed technology is replicable or can be further scaled up to expand production capacity. * The proposed technology is a transformative approach to tackling a critical ultra-low-carbon fuel technology issue or market barrier. | 15 |
| **2.2 Business Plan – Marketing Plan:** Applications will be evaluated on the degree to which:   * Credible target markets, populations, market drivers, and anticipated market growth are identified and documented. * Market barriers and existing or potential competition are identified and adequately addressed to ensure project success. * The role of strategic marketing partners, customers, and other partners (including fuel and co-product off-take agreements) will contribute the success and sustainability of the proposed project. | 10 |
| **2.3 Business Plan – Financial Plan:** Applications will be evaluated on the degree to which:   * The proposed project demonstrates economic viability based on the financial information provided. * The Applicant’s firm and key project partners have the financial ability to successfully implement the proposed project and continue operations beyond the project term. * The financial plan identifies project risks and effective strategies to manage and mitigate those risks. * Feedstock supply is cost-effective, appropriate and secured to support long-term, ongoing and uninterrupted ultra-low-carbon fuel production. * The long-term commercialization pathway following project completion is identified, reasonable, and viable. * Co-products or other revenue streams are identified and contribute to the production of cost-competitive ultra-low-carbon fuels. * The Applicant describes the estimated value and planned use of any potential LCFS, RFS2, and/or cap and trade credits for the project and the impacts to the long-term economic viability of the proposed project. * The Applicant’s liability related to pending or filed litigation in which Applicant is a party is mitigated or not expected to impact the project’s execution.   **NOTE: Applications must obtain a minimum combined score of 24.5 points across the three elements of the Business Plan (Technology Plan, Marketing Plan, and Financial Plan) to be eligible for funding.** | 10 |
| **3. Project Readiness and Implementation**: Applications will be evaluated on the degree to which:   * Required permitting for the proposed project has been completed or the permitting schedule ensures successful project completion within the timeframes specified in this solicitation. * Site and equipment control is secured. * The project has achieved compliance under the CEQA or can be completed within the timeframes specified in this solicitation. * The planned community outreach is appropriate, comprehensive, and contributes to the overall success of the proposed project. * The Applicant has secured feedstock and off-take agreements for full production capacity and to support long-term, ongoing, uninterrupted production. * The project’s plan to transport feedstocks to the proposed processing facility is reasonable. * Thorough safety, maintenance, and training procedures will be in place. * The date for full production capacity and operation at capacity can be expedited. * The project’s plan to transport the finished fuel to the off-taker of the fuel is reasonable. * The project may utilize existing infrastructure or facilities.   **NOTE: Applications must obtain a minimum passing score of 14 points within this evaluation criterion to be eligible for funding.** | 20 |
| **4. Project Budget and Cost Effectiveness:** Applications will be evaluated on the degree to which:   * The proposed project’s budget minimizes CEC funding per diesel gallon equivalent of ultra-low-carbon fuel produced on an annual and 5-year project life basis. * The proposed project minimizes CEC dollars per metric ton of GHG emissions reduced on an annual and 5-year project life basis. * The Applicant demonstrates the need for state funding for the proposed project and how state funding can increase their ability to leverage private capital. * The proposed match share is documented and the amount or dollar value is reasonable, available, and verifiable. * The budget is reasonable and the budget forms are filled out completely and accurately. | 15 |
| **5. Project Benefits and Co-Benefits:** Applications will be evaluated on the degree to which:   * The proposed project will expand in-state ultra-low-carbon fuel production. * The proposed project maximizes GHG emission reductions by the replacement of petroleum fuels with the eligible ultra-low-carbon fuels. * The proposed project will result in criteria and toxic air pollutant emission reductions. * The proposed project will preserve and/or enhances natural resources. * The proposed project will reduce short-lived climate pollutants. * The proposed project will provide benefits to disadvantaged communities, low-income communities, priority populations and/or tribal lands. * The proposed project will expand business opportunities for California-based businesses. * The proposed project will result in high-quality jobs in terms of compensation and duration and related project payroll. * The proposed project will increase state and local tax revenues. | 20 |
| **Total Possible Points** | **100** |
| **Minimum Overall Passing Score** | **70** |

## Tie Breakers

If the score for two or more applications are tied, the application with a higher score in the following criterion in the given order will be ranked higher.

1. Proposal with highest “Project Readiness and Implementation” score.
2. Proposal with highest combined “Business Plan” total score.
3. If still tied, an objective tiebreaker (such as a random drawing) will be utilized.

# V. Administration

## Definition of Key Words/Terms

Key Words and Terms

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| --- | --- |
| **Word/Term** | **Definition** |
| AB | Assembly Bill |
| Applicant | An entity who submits an applicationto this solicitation. |
| Application | An Applicant’s formal written response to this solicitation. |
| Awardee/Recipient | An Applicant awarded a grant under this solicitation. |
| CAM | Commission Agreement Manager |
| CAO | Commission Agreement Officer |
| CARB | California Air Resources Board |
| CEQA | California Environmental Quality Act |
| CI | Carbon intensity: The amount of life-cycle greenhouse gas emissions, per unit of fuel energy, expressed in grams of carbon dioxide equivalent per megajoule (gCO2e/MJ). |
| Clean Transportation Program | Previously known as the Alternative and Renewable Fuel and Vehicle Technology Program, the program created by AB 118 is charged with developing and deploying alternative and renewable fuels and advanced transportation technologies to help attain the state’s climate change policies. |
| CO2e | Carbon dioxide equivalent |
| CPR | Critical project review |
| Disadvantaged communities (DAC) | Disadvantaged communities are the top 25 percent highest scoring census tracts in the California Communities Environmental Health Screening Tool (CalEnviroScreen Version 4.0). For more information, please see  <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40> |
| DGE | Diesel gallon equivalent |
| CEC | California Energy Commission |
| GAAP | Generally Accepted Accounting Principles |
| GFO | Grant funding opportunity |
| GGRF | Greenhouse Gas Reduction Fund |
| GHG | Greenhouse gas |
| LCFS | Low Carbon Fuel Standard, which is administered by CARB |
| NOPA | Notice of Proposed Award(s) |
| Priority populations | Priority populations include residents of (1) census tracts identified as disadvantaged per Senate Bill 535, (2) census tracts identified as low-income per Assembly Bill 1550, or (3) a low-income household per Assembly Bill 1550. For more information, please see <https://www.arb.ca.gov/cci-communityinvestments> . |
| A Process and Technology Guarantee | An agreement provided by the technology or process developer to the purchaser of the technology or process, obligating the developer that the technology or process will be guaranteed to perform to an expected standard of operating and performance parameters. |
| SB | Senate Bill |
| Solicitation | Grant Funding Opportunity, which refers to this entire solicitation document and all its attachments and exhibits |
| State | State of California |
| TRL | Technology Readiness Level: A metric used for describing technology maturity. It is a measure used by many U.S. government agencies to assess maturity of evolving technologies (materials, components, devices, etc.) prior to incorporating that technology into a system or subsystem. |
| Total allowable project costs | The sum of the CEC’s reimbursable share and the recipient’s match share. |
| Ultra-low-carbon fuels | Fuels with a carbon intensity of 30 gCO2e/MJ or less. |

## Cost of Developing Application

The Applicant is responsible for the cost of developing an application, and this cost cannot be charged to the State.

## Confidential Information

The CEC will not accept or retain any applications that have any portion marked confidential except for specified financial information submitted in accordance with Section III.D, separated and clearly labeled as a confidential volume in response to this solicitation.

## Solicitation Cancellation and Amendments

It is the CEC’s policy 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 post it on the CEC’s website at <https://www.energy.ca.gov/funding-opportunities/solicitations>

## Errors

If an Applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation at any time prior to 5:00p.m. of the application deadline date, the Applicant should immediately notify the CEC of the error in writing and request modification or clarification of the solicitation. Modifications or clarifications will be given by written notice of all parties who requested the solicitation, without divulging the source of the request for clarification. The CEC shall not be responsible for failure to correct errors.

## Modifying or Withdrawal of Application

An Applicant may, by email to the CAO, withdraw or modify a submitted application before the deadline to submit applications. 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.”

## Immaterial Defect

The CEC may waive any immaterial defect or deviation contained in an application. The CEC’s waiver shall in no way modify the application or excuse the Applicant proposed for funding from full compliance with solicitation requirements.

## Disposition of Applicant’s Documents

The entire evaluation process from receipt of applications up to the posting of the Notice of Proposed Award is confidential. On the Notice of Proposed Award posting date, or date of solicitation cancellation, all applications and related material submitted in response to this solicitation become a part of the property of the State and public record.

## Applicants’ Admonishment

This solicitation contains the instructions governing the requirements for a firm quotation to be submitted by interested Applicants, the format in which the technical information is to be submitted, the material to be included, the requirements which must be met to be eligible for consideration, and Applicant responsibilities. Applicants are responsible for carefully reading the entire solicitation, asking appropriate questions in a timely manner, submitting all required responses in a complete manner by the required date and time, and making sure that all procedures and requirements of the solicitation are followed and appropriately addressed.

## Agreement Requirements

The content of this solicitation shall be incorporated by reference into the final agreement. See the sample agreement terms and conditions included in this solicitation.

The CEC reserves the right to negotiate with Applicants to modify the project scope, the level of funding, or both. If the CEC is unable to successfully negotiate and execute a funding agreement with an Applicant, the CEC, at its sole discretion, reserves the right to cancel the pending award and fund the next highest ranked eligible project.

The CEC must formally approve all proposed grant awards. CEC agreements for over $75,000 must be scheduled and considered at a CEC Business Meeting for approval by the CEC.

Public agencies that receive funding under this solicitation must provide an authorizing resolution approved by their governing authority to enter into an agreement with the CEC and designating an authorized representative to sign.

The CEC will send the approved agreement, including the general terms and conditions and any additional terms and conditions, to the grant recipient for review, approval, and signature. Grant recipients may begin the project only after full execution of the grant agreement (i.e. formal approval by the CEC and signature by the grant recipient and the CEC)..

## No Agreement Until Signed and Approved

No agreement between the CEC and an Applicant is in effect until the agreement is approved at a CEC Business Meeting, and signed by both the grant recipient and the CEC.

The CEC reserves the right to modify the award documents prior to executing the agreement.

1. Landscape or right-of-way tree trimmings include all solid waste materials that result from tree or vegetation trimming or removal to establish or maintain a right-of-way on public or private land for the following purposes: (1) For the provision of public utilities, including, but not limited to, natural gas, water, electricity, and telecommunications; (2) For fuel hazard reduction resulting in fire protection and prevention; or (3) For the public’s recreational use. [↑](#footnote-ref-2)