**GRANT FUNDING OPPORTUNITY**

**Cost Share for Federal Clean Energy Funding Opportunities**

**Carbon Removal Innovation Support Program (CRISP)**



**GFO-22-901**

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

**State of California**

**California Energy Commission**

February 2023

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| **Attachments**   | Attachment Number | Title of Section | | --- | --- | | 1 | Application Form ***(requires signature)*** | | 2 | Project Narrative | | 3 | Project Team | | 4 | Budget | | 5 | CEQA Compliance Form | | 6 | References and Work Product | | 7 | Contacts List | | 8 | Commitment and Support Letters ***(require signature)*** | | 9 | Proposal Change Summary | | 10 | CBE and Funds Spend in CA | | 11 | Project Performance Metrics | | 12 | Applicant Declaration | |

# I. Introduction

## Purpose of Solicitation

This solicitation only applies to the Carbon Removal Innovation Support Program (CRISP) for projects that meet the requirements in Section II.C and the applicable federal Funding Opportunity Announcement.

The purpose of this solicitation is to provide cost share funding to applicants that apply for and receive one of the following:

1. An award under an eligible federal Funding Opportunity Announcement (FOA) and meet the requirements of this solicitation, or
2. Follow-on funding from the U.S. Department of Energy to continue research from a previously awarded federal grant that also received Energy Commission federal cost share funding under PON-14-308, GFO-18-902, or this GFO and the proposed project meets the requirements of this solicitation.

**Continuously Updated Eligible Cost Share Opportunities**

Before applying, applicants are encouraged to check Eligibility Requirements in Section II of this solicitation. As new eligible cost share opportunities are released, the Energy Commission will revise this document with corresponding information on how to apply for cost share for that funding opportunity. Information on currently eligible funding opportunities can be found in the Eligible Federal Funding Opportunities section of the Eligibility Requirements (Section II.A.). The Energy Commission will provide cost share only to applicants that are applying for a federal funding opportunity or follow-on funding as described above. If the applicant has already received a federal award or follow-on funding and is seeking retroactive cost share, that application will not be eligible for CEC cost share funds under this solicitation.

**Non-Standard Evaluation Process**

Evaluation of applications under this solicitation involves two phases (pre- and post-award) and requires the applicant to submit evidence of non-Energy Commission cost share and awards after initial Energy Commission selection. Please see Section IV of this solicitation manual for additional explanation of the evaluation process. Applicants are also encouraged to carefully read the Key Activities Schedule (See Section I.E.).

**Non-Standard Budget Template and Required Attachments**

The budget template for this solicitation is non-standard. Be sure to download and use the budget template specific to this solicitation. Attachments and documentation requirements are found in Section III of this solicitation and differ based on which phase the applicant is in (pre-federal funding award, post federal funding award, or seeking follow-on cost-share for a federal award).

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

## Key Words/Terms

| **Word/Term** | **Definition** |
| --- | --- |
| Applicant | The entity that submits an application to this solicitation. |
| Application | An applicant’s written response to this solicitation. |
| Applied Research | Includes activities to support pre-commercial technologies, approaches or strategies at applied lab-level, pilot-level, or research/study stages. |
| Authorized Representative | *Authorized Representative*, a person with legal authority to sign on behalf of the applicant. |
| California Tribal Organization | A corporation, association, or group controlled, sanctioned, or chartered by a California Native American tribe that is subject to its laws, the laws of the State of California, or the laws of the United States. |
| California Native American Tribe/Tribe | A Native American Tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004. |
| CAM | *Commission Agreement Manager,* the person designated by the CEC to oversee the performance of an agreement resulting from this solicitation and to serve as the main point of contact for the Recipient. |
| CAO | Commission Agreement Officer |
| CBO | Community Based Organization. A public or private nonprofit organization of demonstrated effectiveness that:   1. Has an office in the region (e.g., air basin or county) and meets the demographic profile of the communities they serve. 2. Has deployed projects and/or outreach efforts within the region (e.g., air basin or county) of the proposed disadvantaged or low-income community. 3. Has an official mission and vision statements that expressly identifies serving disadvantaged and/or low-income communities. 4. Currently employs staff member(s) who specialized in and are dedicated to – diversity, or equity, or inclusion, or is a 501(c)(3) non-profit. |
| CEC | State Energy Resources Conservation and Development Commission or, the California Energy Commission. |
| CEQA | California Environmental Quality Act, California Public Resources Code Section 21000 et seq. |
| Days | *Days refers to calendar days.* |
| Demonstration and Deployment | Investments in technology demonstrations at real-world scales and in real-world conditions to reflect actual operating performance, and financial characteristics and risk. The goal is to showcase emerging innovations and increase technology commercialization. |
| Disadvantaged Community | These are communities designated that represent the 25% highest scoring census tracts in CalEnviroScreen 4.0 , census tracts previously identified in the top 25% in CalEnviroScreen 3.0, census tracts with high amounts of pollution and low populations, and federally recognized tribal areas as identified by the Census in the 2021 American Indian Areas Related National Geodatabase (https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40) |
| DOE | U.S. Department of Energy – often the originator of Federal Funding opportunities. |
| Energy Equity | The fair distribution of benefits and burdens from energy production and consumption. |
| FOA | Funding Opportunity Announcement. This is the solicitation document released by a federal agency, such as the U.S. DOE. |
| IOU | *Investor-owned utility,* an electrical corporation as defined in in California Public Utilities Code section 218.   * For purposes of EPIC program-funded projects, it includes Pacific Gas and Electric Co., San Diego Gas and Electric Co., and Southern California Edison Co. * For purposes of gas R&D program projects, it includes Pacific Gas and Electric Co., San Diego Gas and Electric Co., and Southern California Gas Co. |
| Low Income Community | *Low-income Communities* are defined as communities within census tracts with median household incomes at or below 80 percent of the statewide median income or at or below the threshold designated as low-income by the California Department of Housing and Community Development. (https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml) |
| NOPA | *Notice of Proposed Award,* a public notice by the CEC that identifies award recipients. |
| Pre-Commercial Technology | *Pre-commercial Technology* means a technology that has not reached commercial maturity or been deployed at scales sufficiently large and in conditions sufficiently reflective of anticipated actual operating environments to enable the appraisal of operational and performance characteristics, or of financial risks. |
| Pilot Test | *Pilot test* means small scale testing in the laboratory or testing on a small portion of the production line of the affected industry. Pilot tests help to verify the design and validity of an approach, and adjustments can be made at this stage before full-scale demonstrations |
| Principal Investigator | The technical lead for the applicant’s project, who is responsible for overseeing the project; in some instances, the Principal Investigator and Project Manager may be the same person. |
| Project Manager | The person designated by the applicant to oversee the project and to serve as the main point of contact for the CEC. |
| Project Partner | An entity or individual that contributes financially or otherwise to the project (e.g., match funding, provision of a test, demonstration or deployment site), and does not receive CEC funds. |
| Recipient | An entity receiving an award under this solicitation. |
| Solicitation | This entire document, including all attachments, exhibits, any addendum and written notices, and questions and answers (“solicitation” may be used interchangeably with “Grant Funding Opportunity”). |
| State | State of California |
| TRL | Technology readiness levels, are a method for estimating the maturity of technologies during the acquisition phase of a program.  Source: U.S. Department of Energy, “Technology Readiness Assessment Guide”. <https://www2.lbl.gov/dir/assets/docs/TRL%20guide.pdf> |

## Project Focus

The focus of applicant projects will vary based on the specific Federal FOA. Please check the Section II.A., for a list of currently eligible funding opportunities.

## Funding

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

There is up to $15 million available for cost-share grants awarded under this solicitation for the Carbon Removal Innovation Support Program (CRISP).

The minimum and maximum funding amounts depend on the Federal FOA. Maximum and minimum funding amounts can be found in Section II.A. An Energy Commission award under this solicitation is contingent on receipt of an award under one of the funding opportunities listed in the Eligibility Section (Section II.A) of this solicitation.

**Cost Share Requirements**

Since the Energy Commission will only provide up to half the cost share of the project up to the maximums indicated in Section II.A., applicants are required to provide at least half the total project cost share from other sources. These sources may not include other Energy Commission funds.

The Energy Commission will only conduct Phase II or Phase IV Post Federal Award Confirmation after the applicant has provided evidence of the additional cost share as well as evidence of the award for which the Energy Commission is providing cost share. See Section II.A. for deadlines for providing this evidence to the Energy Commission.

**Change in Scope, Project Site, or Funding Amount**

If for any reason a proposed grant recipient in Phase II or Phase IV changes any part of the application originally submitted to the Commission, the Commission may at its discretion rescore the application. Any change, including to the scope or total project cost, may affect the eligibility of the project to receive Energy Commission funds.

As part of the post federal funding award confirmation of Phase II (or in Phase IV for CEC funding associated with DOE’s follow-on funding), the Post Federal Award Proposal Change Summary (Attachment 9) must be filled out and submitted. See Section III for the full list of documentation required in Phase II. The Energy Commission will determine whether a rescore of the application is needed based on the information provided in Attachment 9 and the entire application package. Changes to the project may require rescoring of the entire application, which may result in rescission of the proposed award.

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

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

**Additional Requirements for Subsequent Funding**

To be considered for subsequent funding associated with DOE’s follow-on funding, the applicant must meet the following requirements:

* Must have completed or have an active agreement with the Energy Commission that resulted from GFO-21-901 or this GFO for the specific listed FOAs.
* Must plan to continue and build upon the previously funded project.
* The new project must be the second phase of a project previously funded under GFO-21-901 or this GFO and is now receiving additional DOE funding, and meets the requirements of this solicitation.
* If selected for funding, the recipient agrees to the terms and conditions, including execution of a new CEC agreement.

**Prevailing Wage Requirements**

Prevailing wage requirements may affect the cost of projects. For projects involving construction, alteration, or repair, applicants should be aware that accepting CEC funding means that California prevailing wage requirements will likely apply to the entire project. (CEC-reimbursable, DOE grant funds, and match funding are subject to requirements.) See discussion in Section III.C.4 regarding budgets. In a similar vein, the federal Davis-Bacon Act and/or 2021 Bipartisan Infrastructure Law may impose prevailing wage requirements. It is the applicant’s responsibility to comply with the applicable California and federal law regarding prevailing wages.

## Key Activities Schedule

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

| **ACTIVITY** | **DATE** |
| --- | --- |
| Solicitation Release | February 17, 2023 |
| Deadline for Written Questions11 | On-going |
| Anticipated Distribution of Questions and Answers | Answers will be posted periodically |
| **Deadline to Submit Pre-Federal Funding Award Applications (Phase I)** | **Refer to Section II.A** |
| Anticipated Notice of Proposed Award Posting Date (Awardee will receive a Letter of Intent) | No later than 15 days after the deadline to submit applications for that federal funding opportunity |
| Submission of evidence of federal funding award and non-CEC cost share to the Energy Commission | No later than 60 days after federal funding Award |
| Anticipated Cost Share Confirmation from the Energy Commission | 30 days after submission of evidence of federal award and additional cost share |
| Anticipated Energy Commission Business Meeting Date | 90 days after the screening of the federal award documentation |
| Anticipated Agreement Start Date | 30 days after the Energy Commission Business Meeting |
| Anticipated Agreement End Date | No later than four years from the execution of the agreement. |

## Questions

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

Marissa Sutton, Commission Agreement Officer

California Energy Commission

715 P St., MS-1

Sacramento, California, 95814

Telephone: (916) 237-2515

E-mail: Marissa.Sutton@energy.ca.gov

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

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

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

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

## Applicants’ Admonishment

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

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

## additional requirements

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

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

## Background

**Carbon Removal Innovation Support Program (CRISP)**

This program was created under Assembly Bill (AB) 209 (The Energy and Climate Change budget bill, Chapter 251, Section 13, Chapter 7.8, Article 1, enacted in September 2022). The purpose is to implement advanced technologies for direct air capture of atmospheric carbon.

* **Program and Funding Areas**
* Eligible projects include, but not limited to, technology research, development and demonstrations and prototype and pilot research test centers to remove atmospheric carbon. Ineligible projects do not include a project to benefit petroleum or gas production, processing or refining through enhanced oil or gas recovery.

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

This solicitation addresses the energy goals described in the following laws, policies, and background documents.

Laws/Regulations

* **Assembly Bill (AB) 209** (The Energy and Climate Change budget bill, Chapter 251, enacted in September 2022)[[1]](#footnote-2)

AB 209 created the Carbon Removal Innovation Support Program (CRISP) (see Public Resources Code section 25685 et seq.). Among other provisions, the bill requires the Energy Commission to establish and administer several programs. For the purposes of this solicitation, the applicable programs are described in Section II.C.

* **Assembly Bill (AB) 32[[2]](#footnote-3) - Global Warming Solutions Act of 2006**

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

Additional information: http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb\_0001-0050/sb\_32\_bill\_20160908\_chaptered.htm

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

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

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

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

**Senate Bill (SB) X1-2[[3]](#footnote-4) - Renewables Portfolio Standard,**

SB X1-2 expanded California’s Renewables Portfolio Standard (RPS) goals and requires retail sellers of electricity and local publicly owned electric utilities to increase their procurement of eligible renewable energy resources to 20 % by the end of 2013, 25 % by the end of 2016, and 33 % by the end of 2020.

Applicable Law: California Public Utilities Code § 399.11 et seq.

* **Senate Bill (SB) 100 - The 100 Percent Clean Energy Act of 2018**

SB 100 requires that 100 % of retail sales of electricity to California end-use customers and 100 % of electricity procured to serve all state agencies come from eligible renewable energy resources and zero-carbon resources by December 31, 2045. The bill requires the CPUC and the Energy Commission, in consultation with the California Air Resources Board to ensure that California’s transition to a zero-carbon electric system does not cause or contribute to greenhouse gas emissions (GHG) increases elsewhere in the western grid.

Additional information: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\_id=201720180SB100

Policies/Plans

* **Integrated Energy Policy Report (Biennial)**

California Public Resources Code Section 25302 requires the Energy Commission to release a biennial report that provides an overview of major energy trends and issues facing the state. The IEPR assesses and forecasts all aspects of energy industry supply, production, transportation, delivery, distribution, demand, and pricing. The Energy Commission uses these assessments and forecasts to develop energy policies and provide recommendations for future research and analysis areas.

Additional information: http://www.energy.ca.gov/energypolicy

Applicable Law: California Public Resources Code § 25300 et seq.

## Match Funding

* **“Match funds”** includes cash or in-kind (non-cash) contributions provided by the applicant, subcontractors, or other parties including pilot testing, demonstration, and/or deployment sites (e.g., test site staff services) that will be used in performance of the proposed project.

“Match funds” do not include: past or current CEC awards, future/contingent awards from other entities (public or private), the cost or value of the project work site, or the cost or value of structures or other improvements affixed to the project work site permanently or for an indefinite period of time (e.g., photovoltaic systems).

Definitions of “match funding” categories are listed below:

* + - **“Cash”** **match** means funds that are in the recipient’s possession or proposed by match partner and clearly identified in a support letter, and are reserved for the proposed project, meaning that they have not been committed for use or pledged as match for any other project. Cash match can include funding awards earned or received from other agencies for the proposed technologies or study (but not for the identical work). Proof that the funds exist as cash is required. Cash match will be considered more favorably than in-kind contributions during the scoring phase.
    - **“In-Kind”** **match** is typically in the form of the value of personnel, goods, and services, including direct and indirect costs. This can include equipment, facilities, and other property 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).
* Match funds must be spent only during the agreement term, either before or concurrently with state funds resulting from this solicitation. Match funds also must be reported in invoices submitted to the CEC.
* All applicants providing match funds must submit commitment letters, **including prime and subcontractors**, that: (1) identify the source(s) of the funds; (2) justify the dollar value claimed; (3) provide an unqualified (i.e., without reservation or limitation) commitment that guarantees the availability of the funds for the project; and (4) provide a strategy for replacing the funds if they are significantly reduced or lost. Please see Attachment 8, Commitment and Support Letter Form. Commitment and support letters must be submitted with the application to be considered.
* Any match pledged in Attachment 1 must be consistent with the amount or dollar value described in the commitment letter(s) (e.g., if $5,000 “cash in hand” funds are pledged in a commitment letter, Attachment 1 must match this amount). Only the total amount pledged in the commitment letter(s) will be considered for match funding points.

Examples of preferred match share:

* + - **“Travel”** refers to all travel required to complete the tasks identified in the Scope of Work. Travel includes in-state and out-of-state, and travel to conferences. EPIC funds are limited to lodging and any form of transportation (e.g., airfare, rental car, public transit, parking, mileage). Use of match funds for out-of-state travel is encouraged, as the CEC discourages and may not approve the use of its funds for such travel. If an applicant plans to travel to conferences, including registration fees, they must use match funds. Applicants shall adhere to travel restrictions of using state funds to travel to certain other states pursuant to AB 1887 (2016) and codified at California Government Code Section 11139.8. All applicants are encouraged to consider the Attorney General’s website https://oag.ca.gov/ab1887 for a current list of states subject to travel restrictions. Awarded Grants under this solicitation shall not contain travel paid for with Commission funds (applicants can instead use match funds) to the listed states unless the Commission approves in writing that the trip falls within one of the exceptions under the law.
    - **“Equipment” is** an item with a unit cost of at least $5,000 and a useful life of at least one year. **Purchasing equipment with match funding is encouraged** as there are no disposition requirements at the end of the agreement for such equipment. Typically, grant recipients may continue to use equipment purchased with CEC funds if the use is consistent with the intent of the original agreement.
    - **“Materials”** under Materials and Miscellaneous are items under the agreement that do not meet the definition of Equipment (unit cost of at least $5,000 and a useful life of at least one year). **Using match funds for purchasing items such as laptops, notebooks and/or personal tablets is encouraged, as Energy Commission funds for these purchases is not allowed.**

## Funds Spent in California

* Only CEC reimbursable funds counts towards funds spent in California total.
* "Spent in California" means that:
  + (1) Funds in the "Direct Labor category and all categories calculated based on direct labor (e.g., fringe benefits, indirect costs and profit) are paid to individuals that pay California state income taxes on wages received for work performed under the agreement. Payments made to out-of-state workers do not count as “funds spent in California.” However, funds spent by out-of-state workers in California (e.g., hotel and food) can count as “funds spent in California.”; AND
  + (2) Business transactions (e.g., material and equipment purchases, leases, and rentals) are entered into with a business located in California.
  + (3) Total should include any applicable subcontractors.
* Airline ticket purchases for out-of-state travel and payments made to out-of-state workers are not considered funds “spent in California.” However, funds spent by out-of-state workers in California (e.g. lodging) and airline travel originating and ending in California are considered funds “spent in California.” A business located in California means: 1) businesses registered with Secretary of State AND 2) transaction is with a location in California that is directly related to the grant project (e.g., direct purchase of material and equipment to be used in the grant) and results in the support of California business and jobs.
  + Example 1: Grant funds will be spent on temperature sensors.  The temperature sensors are manufactured in Texas. The recipient orders the temperature sensors directly from a CA based supply house.  The invoice shows that the transaction occurred with the CA based supply house. This transaction is eligible and can be counted as funds spent in CA.
  + Example 2: Grant funds will be spent on temperature sensors. The temperature sensors are manufactured in Texas. The recipient orders the temperature sensors directly from Texas.  The manufacturer has training centers in CA that instructs purchasers on how to use the sensors. The invoice shows that the transaction occurred in Texas. This transaction is not eligible and cannot be counted as funds spent in CA.

# II. Eligibility Requirements

## Eligible Federal Funding Opportunities

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Funding Opportunity Announcement (FOA) Number and Title** | **CEC Application Due Date (Phase one Pre-Federal Award)** | **Minimum CEC Cost Share Award** | **Maximum CEC Cost Share Award** | **Maximum Total CEC Cost Share Across Awards** | **Eligible Topic Areas/ Area of Interest** |
| **DE-FOA-0002735, Regional Direct Air Capture Hubs** | **March 1, 2023** | **Topic 1: $300,000**  **Topic 2: $1.5M**  **Topic 3: $3M** | **Topic 1: $300,000**  **Topic 2: $3M**  **Topic 3: $10M** | **$15M** | **Topic 1: Feasibility study**  **Topic 2: Front end engineering design study**  **Topic 3: DAC Hub** |

## Applicant Requirements

**Eligibility**

This solicitation is open to all public and private entities that meet the following eligibility requirements for specific program funding:

* CRISP: Projects must be located in California and meet the requirements in Section II.C.

**Terms and Conditions**

Each grant agreement resulting from this solicitation will include terms and conditions that set forth the recipient’s rights and responsibilities. Applicants must agree to the terms and conditions to receive CEC funds.

If a Tribe or Tribal Organization with sovereign immunity is listed as a proposed awardee in the Notice of Proposed Awards (NOPA), CEC staff must receive the following before bringing the proposed award to Business Meeting:

* 1. A resolution or other authorizing document by the governing body of the Tribe or Tribal Organization authorizing the Tribe or Tribal Organization to enter into the proposed agreement, including accepting the Special Terms and Conditions for California Native American Tribes and California Tribal Organizations with Sovereign Immunity (see Attachment 16).
  2. A limited waiver of sovereign immunity in the form and manner required by tribal law (unless this requirement is waived by the CEC).
  3. A resolution or other authorizing document delegating authority to execute the agreement to an appropriate individual.

The above requirements may be provided in one or more documents. The document(s) will be included as an exhibit to the resulting grant agreement.

Delay in award. Any delay in the Tribe or Tribal Organization’s ability to provide such documentation may result in delayed award of the grant agreement.

Reservation of right to cancel proposed award. Funds available under this solicitation have encumbrance deadlines which the CEC must meet in order to avoid expiration of the funds. In addition to any other rights reserved to it under this solicitation or that it otherwise has, the CEC reserves the right to cancel a proposed award if it determines, in its sole and absolute discretion, that the documentation described above would likely not be provided prior to an encumbrance deadline, and that the CEC’s ability to meet its encumbrance deadline may thereby be jeopardized. In this instance, the CEC may cancel the proposed award and award funds to the next highest scoring applicant.

**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 an CEC Business Meeting.  If not currently registered with the California Secretary of State, applicants are encouraged to contact the Secretary of State’s Office as soon as possible to avoid potential delays in beginning the proposed project(s) (should the application be successful).  For more information, contact the Secretary of State’s Office via its website at www.sos.ca.gov.  Sole proprietors using a fictitious business name must be registered with the appropriate county and provide evidence of registration to the CEC prior to their project being recommended for approval at an CEC Business Meeting.

**Disadvantaged & Low-income Communities**

The California Energy Commission is committed to ensuring all Californians have an opportunity to participate in and benefit from programs and services. While it is not required to complete the project within a disadvantaged community, demonstration projects located and benefiting disadvantaged and/or low-income communities and/or Tribe(s) will be eligible for preference points under the scoring criteria for this GFO.

## Project Requirements

Carbon Removal Innovation Support Program (CRISP)

* 1. Requirements for Projects

Public Resources Code section 25688 indicates CRISP projects “must advance technologies for direct air capture of atmospheric carbon." In addition, Public Resources Code section 25686(a) defines eligible projects as "projects that include, but are not limited to, technology research, development and demonstrations and implementation of prototype and pilot research test centers.” Applicants must submit projects that meet all of these requirements.

Eligible projects do not include a project to benefit a petroleum or gas production, processing, or refining facility, through enhanced oil or gas recovery.

* 1. Benefits to California

Program provides funds to advance technologies that will be needed to remove carbon dioxide emissions that are not abated by other technologies. Removal of these residual and legacy carbon dioxide emissions are needed to meet the state’s carbon neutrality goals.

* 1. Project location

Projects must be located in California.

* 1. Project Focus

The Technical Approach section of the Project Narrative should describe, at a minimum:

1. What major milestones will be accomplished during the project term? Give a short description of the milestone as well as why it is important to the overall development of the technology and the overall path to market.
   1. Technological Advancements, and Breakthroughs

AB 209 (2022) requires that funded projects do not adversely impact local air quality.

* 1. Technology or Knowledge Transfer Expenditures

To maximize the impact of funded projects and to promote the further development and deployment of the funded technologies, a minimum of 5 percent of CEC funds requested should go towards technology/knowledge transfer activities. The Budget Forms (Attachment 4) should clearly distinguish funds dedicated for technology/knowledge transfer.

* 1. Measurement and Verification Plan

The Project Narrative (Attachment 2) must include a Measurement and Verification Plan that describes how actual project benefits will be measured and quantified, such as pre and post-project energy use (therms, Btu, kilowatt hours, kilowatts), (tons of CO2 captured/unit of energy consumed), carbon dioxide capture efficiency, water use (tons of CO2 captured/gallons of water consumed) and cost savings for energy, water and other benefits.



# III. Application Organization and Submission Instructions

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

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

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

|  |  |
| --- | --- |
| **Format** | * **Font:** 11-point, Arial (excluding Excel spreadsheets, original template headers and footers, and commitment or support letters) * **Margins:** No less than one inch on all sides (excluding headers and footers) * **Spacing:** Single spaced, with a blank line between each paragraph * **Signatures**: Wet signatures only (i.e., not electronic) * **File Format:** MS Word version 2007 or later (.doc or .docx format), excluding Excel spreadsheets and commitment or support letters (PDF files are acceptable for the letters) * **File Storage:** Electronic files of the application must be submitted on a USB memory stick when submitting via **hard copy.** |
| **Maximum Page Limit Recommendations** | * **Project Narrative Form** (Attachment 2): ten pages excluding documentation for CEQA * **Project Team Form** (Attachment 3): **two** pages for each resume * **Reference and Work Product Form** (Attachment 6): **one** page for each reference, **two** pages for each project description * **Commitment and Support Letter Form** (Attachment 8): **two** pages, excluding the cover page * There are no page limits for the following:   + **Application Form** (Attachment 1)   + **Budget Forms** (Attachment 4)   + **CEQA Compliance Form** (Attachment 5)   + **Project Performance Metrics** (Attachment 11) |

## Method For Delivery

The only method of submitting applications to this solicitation is the CEC Grant Solicitation System (GSS), available at: https://gss.energy.ca.gov/. This online tool allows applicants to submit their electronic documents to the CEC prior to the date and time specified in this solicitation. Electronic files must be in Microsoft Word XP (.doc format) or newer and Excel Office Suite formats unless originally provided in the solicitation in another format.  Attachments requiring signatures may be scanned and submitted in PDF format.  Completed Budget Forms, (Attachment 4), 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 available on the CEC website at: https://www.energy.ca.gov/media/1654.

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

## Application Content (for Phase I – Pre Federal Funding Award Applications)

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

1. Application Form (Attachment 1)

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

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

2. Project Narrative Form (Attachment 2)

This form will include the majority of the applicant’s responses to the Scoring Criteria in Section IV.

3. Project Team Form (Attachment 3)

Identify by name all key personnel[[4]](#footnote-5) assigned to the project, including the project manager and principal investigator (if applicable), and individuals employed by any major subcontractor (a major subcontractor is a subcontractor receiving at least 25% of Commission funds or $100,000, whichever is less). Clearly describe their individual areas of responsibility. Include the information required for each individual, including a resume (maximum two pages, printed double-sided).

4. Budget Forms (Attachment 4)

The budget template for this solicitation is non-standard. Be sure to download and use the budget template specific to this solicitation. The budget forms are in MS Excel format. Detailed instructions for completing them are included in Attachment 2.  **Read the instructions before completing the worksheets**. Complete and submit information on **all** budget worksheets. The **information** entered on the worksheet**(**s**)** will become a part of the final agreement.

1. All project expenditures (match share and reimbursable) must be made within the approved agreement term. Match share requirements are discussed in Section I of this solicitation. The entire term of the agreement and projected rate increases must be considered when preparing the budget.
2. The budget must reflect estimates for **actual** costs to be incurred during the agreement term. The CEC may only approve and reimburse for actual costs that are properly documented in accordance with the grant terms and conditions. Rates and personnel shown must reflect the rates and personnel the applicant would include if selected as a Recipient.
3. The proposed rates are considered capped and may not change during the agreement term. The Recipient will only be reimbursed for **actual** rates up to the rate caps.
4. The budget must NOT include any Recipient profit from the proposed project, either as a reimbursed item, match share, or as part of overhead or general and administrative expenses (subcontractor profit is allowable, though the maximum percentage allowed is 10 % of the total subcontractor rates for labor, and other direct and indirect costs as indicated in the Category Budget form). Please review the terms and conditions and budget forms for additional restrictions and requirements.
5. The budget must allow for the expenses of all meetings and products described in the Scope of Work. Meetings may be conducted at the CEC or by conference call, as determined by the Commission Agreement Manager.
6. Applicants must budget for permits and insurance. Permitting costs may be accounted for in match share. Permit costs and the expenses associated with obtaining permits are not reimbursable under this Agreement with CEC funds, with the exception of costs incurred by University of California recipients.
7. The budget must NOT identify that CEC funds will be spent outside of the United States or for out-of-country travel.  However, match funds may cover these costs if there are no legal restrictions.
8. All applicants should go to the Attorney General’s website https://oag.ca.gov/ab1887 for a current list of states subject to travel restrictions. Grants awarded under this solicitation shall not contain travel paid for with Commission funds (applicants can instead use match funds) to the listed states unless the Commission approves in writing that the trip falls within one of the exceptions under the law.
9. **Prevailing wage requirement:** Projects that receive an award of public funds from the CEC often involve construction, alteration, demolition, installation, repair or maintenance work over $1,000. For this reason, projects that receive an award of public funds from the CEC are likely to be considered public works under the California Labor Code. See Chapter 1 of Section 7 of Division 2 of the California Labor Code, commencing with Section 1720 and Title 8, California Code of Regulations, Chapter 8, Subchapter 3, commencing with Section 16000.

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

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

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

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

or,

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

5. California Environmental Quality Act (CEQA) Compliance Form (Attachment 5)

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

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

6. Reference and Work Product Form (Attachment 6)

* + 1. Section 1: Provide applicant and subcontractor references as instructed.
    2. Section 2: Provide a list of past projects detailing technical and business experience

of the applicant (or any member of the project team) that is related to the proposed work. Identify past projects that resulted in market-ready technology, advancement of codes and standards, and/or advancement of state energy policy. Include copies of up to three of the applicant or team member’s recent publications in scientific or technical journals related to the proposed project, as applicable.

7. Commitment and Support Letter Form (Attachment 8)

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

1. Commitment Letters

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

* If the project involves pilot testing and/or demonstration/ deployment activities, the applicant must include a site commitment letter signed by an authorized representative of the proposed [test/ demonstration/ deployment] site. The letter should: (1) identify the location of the site (street address, parcel number, tract map, plot map, etc.) which must be consistent with Attachments 1 and 8. and (2) commit to providing the site for the proposed activities.
* **Project partners** that are making contributions other than match funding or a [test/ demonstration/ deployment (select applicable site)] site, and are not receiving CEC funds, must submit a commitment letter signed by an authorized representative that: (1) identifies how the partner will contribute to the project; and (2) commits to making the contribution.

1. Support Letters

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

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

8. Project Performance Metrics (Attachment 11)

The purpose of this questionnaire is to identify and document 5-7 performance targets for the project. The performance targets should be a combination of scientific, engineering and techno-economic metrics that provide the most significant indicator of the research or technology’s potential success.

9. Applicant Declaration (Attachment 12)

This form requests the applicant declare that they: are not delinquent on taxes nor suspended by the California Franchise Tax Board; are not being sued by any public agency or entity; are in compliance with the terms of all settlement agreements, if any, entered into with the Energy Commission or another public agency or entity; are in compliance with all judgments, if any, issued against the Applicant in any matter to which the Energy Commission or another public agency or entity is a party; are complying with any demand letter made on the Applicant by the Energy Commission or another public agency or entity; and are not in active litigation with the Energy Commission regarding the Applicant’s actions under a current or past contract, grant, or loan with the Energy Commission. The declaration must be signed under penalty of perjury by an authorized representative of the applicant’s organization.

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

## Application Content (for Phase II – Post Federal Funding Award Applications)

Following receipt of the federal funding award under a funding opportunity listed in Table in Section II.A of this solicitation, re-submit the Phase I application along with the following documents specified below.

1. Application Form (Attachment 1)

Submit a completed Attachment 1 that includes all requested information and is signed by an authorized representative of the applicant’s organization. Information on the Application Form must be updated from Phase I to accurately reflect the scope of the awarded project and changes to the amount of Energy Commission funds requested shall also be updated. **Complete the “Federal Award Description” section for Screening.**

1. **California Energy Commission Scope of Work**

The Scope of Work identifies the tasks for the entire project, including tasks funded by the Energy Commission, the federal awarding entity, and any other sources. All Energy Commission-funded work must be scheduled for completion by the anticipated agreement end date specified in the “Key Activities Schedule” in Section I.E. The Scope of Work will be developed during the agreement development stage and will use the Energy Commission’s Scope of Work template.

1. **California Energy Commission Budget Forms (Attachment 4)**

The budget forms are in MS Excel format. Detailed instructions for completing them are included at the beginning of Attachment 7.  **Read the instructions before completing the worksheets**. Complete and submit information on **all** budget worksheets. The salaries, rates, and other costs entered on the worksheets will become a part of the final agreement.

1. Updated Commitment and Support Letter Form (Attachment 8)

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

1. Commitment Letters

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

* If the project involves pilot testing and/or demonstration/ deployment activities, the applicant must include a site commitment letter signed by an authorized representative of the proposed site. The letter should: (1) identify the location of the site (street address, parcel number, tract map, plot map, etc.) which must be consistent with Attachments 1 and 8. and (2) commit to providing the site for the proposed activities.
* **Project partners** that are making contributions other than match funding or a site, and are not receiving CEC funds, must submit a commitment letter signed by an authorized representative that: (1) identifies how the partner will contribute to the project; and (2) commits to making the contribution.

1. Support Letters

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

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

5. Project Performance Metrics (Attachment 11)

The purpose of this questionnaire is to identify and document 5-7 performance targets for the project. The performance targets should be a combination of scientific, engineering and techno-economic metrics that provide the most significant indicator of the research or technology’s potential success.

1. Applicant Declaration (Attachment 12)

This form requests the applicant declare that they: are not delinquent on taxes nor suspended by the California Franchise Tax Board; are not being sued by any public agency or entity; are in compliance with the terms of all settlement agreements, if any, entered into with the Energy Commission or another public agency or entity; are in compliance with all judgments, if any, issued against the Applicant in any matter to which the Energy Commission or another public agency or entity is a party; are complying with any demand letter made on the Applicant by the Energy Commission or another public agency or entity; and are not in active litigation with the Energy Commission regarding the Applicant’s actions under a current or past contract, grant, or loan with the Energy Commission. The declaration must be signed under penalty of perjury by an authorized representative of the applicant’s organization.

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

**7. Post-Federal Award Proposal Change Summary (Attachment 9)**

Complete this questionnaire that provides information to the California Energy Commission on changes made to the proposed project after the Energy Commission Letter of Intent was awarded. This questionnaire is to be filled out by the applicant after receipt of a Federal Award and submitted as part of the Post-Federal Award Package.

8. Federal Award Confirmation

Provide a letter from the awarding federal agency that confirms that the applicant has received an award for the project identified on the application form. The letter must include the name of the project, the FOA number, the amount of the federal award, and be signed and dated by an appropriate individual at the awarding federal agency.

9. Approved Federal Scope of Work

Provide a copy of the Scope of Work approved by the federal awarding agency for inclusion in the federal agreement. Redact any confidential information from the Scope of Work (see the “Confidentiality” provision in Section IV.A.5.a).

10. Approved Federal Budget

Provide a copy of the federal budget approved by the federal awarding agency for inclusion in the federal agreement. Redact any confidential information.

## Application Organization and Content (For Phase III – Follow-on Funding Pre Federal Award)

Phase Three is for applicants seeking follow-on funding that meet the requirements of Section I. Applicants to this phase will be scored according to the Scoring Criteria in Section IV. Successful applicants passing this phase will receive a new or updated letter of intent from the Energy Commission. Applicants must submit the following specified documents.

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

This form requests basic information about the applicant and the project. The application includes an original form that includes all requested information. The application must be signed by an authorized representative of the applicant’s organization or will be failed. Update the project description and funding amounts. **Do not use the same Application Form from Phase I or Phase II**.

1. **Project Narrative (Attachment 2)**

Provide an updated Project Narrative to discuss the results from the previous Energy Commission agreement and justify the need for follow-on funding, including benefits to California ratepayers.

1. **Project Team (Attachment 3)**

Complete Attachment 3 and provide resumes for the project team and update any changes. See the Project Team section from Phase I for instructions.

1. **Budget (Attachment 4)**

Use the same budget template from Phase I and follow the instructions indicated in the Budget section of Phase I. This budget must only include future expenses and not expenses from a previous agreement.

1. **CEQA Compliance Form (Attachment 5)**

See CEQA Compliance Form instructions from Phase I.

1. **References and Work**

See References and Work instructions from Phase I.

1. **Contact List (Attachment 7)**

See Contact List instructions from Phase I.

1. **Commitment and Support Letters (Attachment 8)**

Provide new commitment and support letters for the research to be completed with the follow-on funding. See Commitment and Support Letters instructions from Phase I.

1. **Previous Scope of Work**

Submit the scope of work from the prior federal award and the previous Energy Commission scope of work, if applicable. Both scopes of works must be the final version used at the end of the agreements.

## Application Organization and Content (For Phase IV - Follow-on Funding Post Federal Award)

For those successfully receiving follow-on funding and meeting the requirements of Section II, resubmit the documents from Phase III and all documents described in Phase II, following the instructions from Phase II. Phase II and Phase IV documentation requirements are the same however the information in Phase IV should correspond to the follow-on work described in the Phase III application.

# IV. Evaluation and Award Process

Evaluation of applications under this solicitation involves two phases (with two additional phases if there is a follow-on federal award that the Energy Commission is providing cost share for). Phase I or Phase III occurs prior to the federal award and applicants may receive a Letter of Intent for Cost Share from the Energy Commission based on the score of their Phase I/Phase III application.

Once an applicant is successful in receiving a federal award corresponding to their Phase I or Phase III submission, the applicant will submit the documentation necessary for a Post Federal Award Confirmation.

Significant changes to the project - which shall be identified in Attachment 9 - may require rescoring of the entire application. The Energy Commission will determine whether a rescore of the application is needed based on the information provided in the post federal award confirmation package.

## Phase I/Phase III – Pre-Federal Award Pass/Fail, Notice of Proposed Award, and Letter of Intent

Applications will be evaluated and scored based on responses to the information requested in this solicitation. To evaluate applications, the Energy Commission will organize an Evaluation Committee that consists primarily of Energy Commission staff. The Evaluation Committee may use technical expert reviewers to provide an analysis of applications. Phase I and Phase III applications will be evaluated in two stages:

1. **Stage One: Application Screening**

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

1. **Stage Two: Application Scoring**

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

* The scores for each application will be the average of the combined scores of all Evaluation Committee members.
* **A minimum score of 70.00 points** is required for the application to be eligible for funding. In addition, the application must receive a minimum score of **45.5 points** for criteria **1−4** to be eligible for funding.
* **Clarification Interviews:** The Evaluation Committee may conduct optional in-person

or telephone interviews with applicants during the evaluation process to clarify and/or verify information submitted in the application. However, these interviews may not be used to change or add to the content of the original application. Applicants will not be reimbursed for time spent answering clarifying questions.

**3. Pass/Fail and Notice of Proposed Award**

Applications that receive a minimum score of 70.00 points for all criteria will receive a Letter of Intent to fund the proposed project, contingent on passing Phase II/Phase IV Post Federal Award Confirmation.

* The Energy Commission will post a **Notice of Proposed Award (NOPA)** that includes: (1) the total proposed cost share amount; (2) the passing and non-passing applicants; and (3) the amount of each proposed award. The Commission will post the NOPA at its headquarters in Sacramento and on its website, and will mail it to all entities that submitted an application. The awardee will receive a letter of intent for cost share. Applicants may include the letter in an application to the federal awarding entity identified in the letter. However, receipt of the letter does not guarantee that the Energy Commission will approve the final application for funding, or that it will award the amount requested.
* The applicant will be responsible for obtaining sufficient cost share to meet federal funding requirements if the Energy Commission does not fund the project or if the amount provided by the Energy Commission is insufficient to meet the federal funding opportunity’s cost share requirement.
* **Debriefings:** Unsuccessful applicants may request a debriefing after the release of the

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

* In addition to any of its other rights, the Energy Commission reserves the right to:
  + Allocate any additional funds to passing applications, in rank order; and
  + Negotiate with successful applicantstomodify the project scope, schedule, and/or level of funding.

**4.** **Grounds to Reject an Application or Cancel an Award**

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

* The application contains false or intentionally misleading statements or references that do not support an attribute or condition contended by the applicant.
* The application is intended to erroneously and fallaciously mislead the State in any way.
* The application does not comply or contains caveats that conflict with the solicitation, and the variation or deviation is material.
* The applicant has previously received funding through an EPIC or Public Interest Energy Research (PIER) agreement, has received the royalty review letter (which the CEC annually sends out to remind past recipients of their obligations to pay royalties), and has not responded to the letter or is otherwise not in compliance with repaying royalties.
* The applicant has received unsatisfactory agreement evaluations from the CEC or another California state agency.
* The applicant is a business entity required to be registered with the California Secretary of State and is not in good standing.
* The applicant has not demonstrated that it has the financial capability to complete the project.
* The applicant fails to meet CEQA compliance within sufficient time for the CEC to meet its encumbrance deadline or any other deadlines, as the CEC in its sole and absolute discretion may determine.
* The applicant has included a statement or otherwise indicated that it will not accept the terms and conditions, or that acceptance is based on modifications to the terms and conditions.
* The application contains confidential information or identifies any portion of the application as confidential.

**5. Miscellaneous**

1. **Solicitation Cancellation and Amendment**

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

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

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

1. **Modification or Withdrawal of Application**

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

1. **Confidentiality**

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

1. **Solicitation Errors**

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

1. **Immaterial Defect**

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

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

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

## Phase II/Phase IV – Post Federal Award Confirmation

Applicants that receive a federal award must submit all documents described in Section III.D or Section III.F as appropriate to the Energy Commission.

Significant changes to the project which shall be identified in Attachment 9 may require rescoring of the entire application. The Energy Commission will determine whether a rescore of the application is needed based on the information provided in Attachment 9.

## Phase I/Phase III - Stage One: Application Screening

| **Screening Criteria**  *The Application must pass ALL criteria to progress to Stage Two.* | **Pass/Fail** |
| --- | --- |
| 1. The application is received by the CEC’s Contracts, Grants, and Loans Office by the due date and time specified in the “Key Activities Schedule” in Section I.E. of this solicitation and is received in the required manner (e.g., no emails or faxes). | Pass  Fail |
| 1. The application Form (Attachment 1) is signed where indicated. | Pass  Fail |
| 1. The Applicant Declaration Form (Attachment 12) is signed where indicated. | Pass  Fail |
| 1. For Phase I applications: The application addresses only one of the eligible FOA, as indicated on the Application Form.   For Phase III applications: The applicant previously received an Energy Commission cost share grant and the applicant meets the requirements in the Project Requirements section (Section II.C.) | Pass  Fail |
| 1. If the applicant has submitted more than one application for the same federal funding opportunity, each application is for a distinct project (i.e., no overlap with respect to the milestones described in Project Narrative, Attachment 2).   *If the projects are not distinct and the applications were submitted at the same time for the same federal funding opportunity, only the first application screened by the Energy Commission will be eligible for funding. If the applications were submitted separately, only the first application received by the Energy Commission will be eligible for funding.* | Pass  Fail |
| 1. The requested Energy Commission cost share funding meets the requirements specified in the Eligible Federal Funding Opportunities section (Section II.A.) of this solicitation. | Pass  Fail |
| 1. Project advances technologies for direct air capture of atmospheric carbon, including, technology research, development and demonstrations and implementation of prototype and pilot research test centers. Refer to Section II.C. of this solicitation. | Pass  Fail |
| 1. The Application includes Commitment Letters that total to an amount showing that the Energy Commission is at maximum providing 50% of the total Cost Share. | Pass  Fail |
| 1. *If the project involves technology demonstration/ deployment activities*  * The Application identifies one or more demonstration/ deployment site locations. * All demonstration/ deployment sites are located in California * The proposal includes a site commitment letter (Section III.C.7) for each demonstration/ deployment site. | Pass  Fail |
| 1. The application does not contain any confidential information or identify any portion of the application as confidential. | Pass  Fail |
| 1. The application is for a project that meets the site and technology focus areas stated in Section I.C. and II.C for the applicable program | Pass  Fail |
| 1. The application is for a project that meets current California law and regulations, including, but not limited to, AB 209 (2022). | Pass  Fail |

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

## Phase I/Phase III - Stage Two: Application Scoring

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

**Scoring Scale**

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

**Additional Screening Criteria for Past Performance**

| **Screening Criteria** |  |
| --- | --- |
| **Applicant Past Performance with Energy Commission**  The applicant—defined as at least one of the following: the business, principal investigator, or lead individual acting on behalf of themselves—received funds from the Energy Commission (e.g., contract, grant, or loan) and entered into an agreement(s) with the Commission and demonstrated **severe performance issues** characterized by significant negative outcomes including:   * Significant deviation from agreement requirements; * Termination with cause; * Demonstrated poor communication, project management, and/or inability, due to circumstances within its control, from materially completing the project; * Quality issues with deliverables including poorly written final report that prevents publishing; and * Severe unresolved negative audit findings. |  |
| **Must pass to continue with Scoring Criteria** | **Pass/Fail** |

**Scoring CRITERIA**

**CRISP**

**The Project Narrative (Attachment 2A)** must respond to each criterion below. The responses must directly relate to the solicitation requirements and focus as stated in the solicitation.

| **Phase I/Phase III Scoring Criteria** | **Maximum Points** |
| --- | --- |
| 1. **Technical Merit**     1. Describes the competitive advantages of the proposed approach/strategy/technology over that currently being used by other researchers or stakeholders (e.g., efficiency, emissions, durability, cost, equity).    2. Describes how the project will meet or exceed the technical specifications set by the federal funding opportunity.    3. Describes the technology readiness level (TRL) and scale the proposed technology has achieved and the expected results by the end of the project (for projects proposing use of advanced technologies).    4. Describes path to market and how the proposed approach/strategy/technology will lead to its increased adoption by key stakeholders in California (e.g. policy-makers, project developers, other researchers, etc.). | **15** |
| 1. **Technical Approach**     1. Describes the approach and methods to be used in performing the work described in the Scope of Work, adequacy of time, funds, and other resources.    2. Provides a clear and concise description of the metrics to assess project performance, baseline and target values of these metrics. Identifies potential technical risks and mitigation strategies.    3. Describes how measurements and verification will be carried out, data that will be gathered and shared with stakeholders and the public.    4. Provides information documenting permitting required and progress towards achieving compliance with the California Environmental Quality Act (CEQA) by addressing the areas in Section I.H and Section III.C.5. Provides information documenting federal permitting required and progress towards achieving compliance with the National Environmental Policy Act (NEPA).    5. Demonstrates availability of test/host sites, if applicable.    6. Describes local community and labor engagement and impacts consistent with federal funding opportunity requirements | **10** |
| 1. **Impacts and Benefits for California**   Explains how the proposed project will benefit California and provides clear, plausible, and justifiable (quantitative preferred) potential benefits. Estimates the benefits (by the end of project term and when deployed at scale) compared to other approaches/strategies/ technologies including:   * Energy consumption: estimate kWh/metric ton or Btu/metric ton for captured carbon * Electricity load shifting/peak load reduction * Financial performance (e.g., net present value, payback period, ROI) * Zero carbon fuel use * Carbon dioxide capture efficiency * Criteria pollutant reductions * Water use, including use of non-potable water * Carbon dioxide conversion to useful products * Safety * Under resourced communities * Permitting and CEQA | **30** |
| 1. **Team Qualifications, Capabilities, and Resources**   Evaluations of ongoing or previous projects including project performance by applicant and team members will be used in scoring for this criterion. This can include contacting references.   1. Identifies credentials of prime and any subcontractor key personnel, including the project manager, principal investigator and technology and knowledge transfer lead (include this information in the Project Team Form). 2. Demonstrates that the project team has appropriate qualifications, experience, financial stability and capability to complete the project. 3. Explains the team structure and how various tasks will be managed and coordinated. 4. Describes the facilities, infrastructure, and resources available that directly support the project.   Describes the team’s history of successfully completing projects in the past 10 years including subsequent deployments and commercialization. | **10** |
| **Total Possible Points for criteria 1− 4**  **(Minimum Passing Score for criteria 1− 4 is 70% or 45.50)** | **65** |
| 1. **Budget and Cost-Effectiveness** 2. Budget forms are complete as instructed in Section III. 3. Justifies the reasonableness of the requested funds relative to the project goals, objectives, and tasks. 4. Justifies the reasonableness of direct costs (e.g., labor, fringe benefits, equipment, materials & misc. travel, and subcontractors). 5. Justifies the reasonableness of indirect costs (e.g., overhead, facility charges (e.g., rent, utilities), burdens, subcontractor profit, and other like costs). 6. Explains how the applicant will maximize funds for technical tasks necessary to achieve the milestones described in the Project Narrative and minimize expenditure of funds for program administration and overhead. | **5** |
| 1. **Funds Spent in California**   Projects that spend federal and CEC funds in California will receive points as indicated in the table below. “Spent in California” means that: (1) Funds under the “Direct Labor” category and all categories calculated based on direct labor are paid to individuals who pay California state income taxes on wages received for work performed under the agreement; and/or (2) Business transactions (e.g., material and equipment purchases, leases, rentals, and contractual work) are entered into with a business located in California.  Airline ticket purchases for out-of-state travel and payments made to out-of-state workers are not considered funds “spent in California.” However, funds spent by out-of-state workers in California (e.g., hotel and food) and airline travel originating and ending in California are considered funds “spent in California.”  The Leverage Ratio compares the Federal and CEC funds spent in California to the amount of CEC funds requested using the equation below.  The percentage of possible points will be awarded according to the table below:   |  |  | | --- | --- | | Leverage Ratio | Percentage of Possible Points | | >7.0 | 100% | | ≥6.0 to <7.0 | 90% | | ≥5.0 to <6.0 | 80% | | ≥4.0 to <5.0 | 70% | | ≥3.0 to <4.0 | 60% | | <3.0 | 0% | | **30** |
| **Total Possible Points**  **(Minimum Passing Score for Criteria 1 – 6 is 70% or 70.00)** | **100** |

| **Scoring Criteria** | **Maximum Points** |
| --- | --- |
| **Preference Points:** For applications proposing projects located in and benefiting low-income and/or disadvantaged communities within IOU service territories. Applications must meet all minimum passing scores (Scoring Criteria 1-4, and 1-6) to be eligible for the additional points. | |
| 1. **Disadvantaged/Low-Income Communities and/or Tribes**   In order to receive or qualify for additional points, the proposed project must be located in and demonstrate benefits to the disadvantaged/low-income community(ies) and/or Tribe(s).   * 1. Describes community benefits plan that demonstrates societal benefits and measures to mitigate negative impacts and is supported by Workforce and Community Agreements as described in the federal funding opportunity.   2. Includes analysis and engagement with local communities to address their concerns. Provide letters of support from community based organizations and communities.   3. Demonstrates integration of the community benefits plan, project schedule, and other key documents.   4. Demonstrates that community-based organizations, disadvantaged/low-income community(ies) and/or Tribe(s) are included as core partners of the project and affirm support. | 5 |

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

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

1. AB 209 (Statutes of 2021, chapter 251), *available at* [Bill Text - AB-209 Energy and climate change. (ca.gov)](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB209) [↑](#footnote-ref-2)
2. AB 32 (Statutes of 2006, chapter 488) [↑](#footnote-ref-3)
3. SBX 1-2 (Statutes of 2011, first extraordinary session, chapter 1) [↑](#footnote-ref-4)
4. “Key personnel” are individuals that are critical to the project due to their experience, knowledge, and/or capabilities. [↑](#footnote-ref-5)