Questions and Answers

Food Production Investment Program (FPIP)

GFO-23-305

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# Background and Resources

## Background

1. What is the funding source for this solicitation?
   1. This solicitation has two funding sources: the Greenhouse Gas Reduction Fund (GGRF) and General Funds from the 2022-2023 California Governor’s Budget. The Food Production Investment Program (FPIP) is part of California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas (GHG) emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities. The General Fund monies will further the purposes of reducing GHG emissions, reducing energy use, and sustaining grid reliability. Applicants can stay up to date with FPIP and future solicitations by subscribing to the Food Production Investment Program listserv at: <https://www.energy.ca.gov/programs-and-topics/programs/food-production-program>.
2. How does the applicant determine if their project is under Tier I or II?
   1. Unlike FPIP’s previous solicitations, this solicitation does not separate projects by tiers. Please refer to Section II.B in the Solicitation Manual for project requirements.
3. How many rounds of funding are available under this solicitation?
   1. Currently there is only one round of funding under this solicitation. The California Energy Commission (CEC) may add additional application rounds at its discretion. An addendum to this solicitation will be publicly released for notification if additional application rounds are added.

## Resources

1. Will the Pre-Application Workshop slides, recording, and attendee list be available to the public? Where will these be located?
   1. Yes, the Pre-Application Workshop slides, recording, and attendee list are available on the Pre-Application Workshop - GFO-22-305 page at [<https://www.energy.ca.gov/event/funding-workshop/2024-02/pre-application-workshop-gfo-23-305-food-production-investment>](https://www.energy.ca.gov/event/funding-workshop/2024-02/pre-application-workshop-gfo-23-305-food-production-investment).
2. What is the deadline to submit questions in writing, and to whom are they submitted?
   1. The deadline to submit written questions was February 16, 2024, by 5:00 p.m. Please refer to Section I.E in the Solicitation Manual for more information about key dates and deadlines for this solicitation. All written questions should be submitted to the Contract Agreement Officer (CAO) for this solicitation – Phil Dyer. The CAO's contact information is phil.dyer@energy.ca.gov. Refer to Section I.G in the Solicitation Manual for more information about submitting questions.
3. Is there a technical contact for this solicitation?
   1. The CAO is the main point of contact for this solicitation. Please refer to the response to Question #5.
4. Are there other GHG-reducing grant programs to which food processors can apply?
   1. Applicants seeking additional funding opportunities are encouraged to use the California Grants Portal at <https://www.grants.ca.gov> and the Federal Grants Portal at <https://www.grants.gov>.
5. Where should a grant-writing company register to offer grant-writing services to potential awardees of this program?
   1. Prospective applicants and project partners looking for collaboration opportunities should register on the CEC’s Empower Innovation website at [https://www.empowerinnovation.net](http://www.empowerinnovation.net). This website is a curated database that identifies other potential funding opportunities and potential connections with others interested in partnering on projects. This specific funding opportunity can be found on Empower Innovation at <https://www.empowerinnovation.net/en/custom/funding/view/41382>. Please note that grant-writing tasks are not an eligible cost for reimbursement under this solicitation.
6. Can universities or laboratories provide any support in terms of engineering and sensing areas?
   1. Applicants must own or operate one or more food processing facilities where the grant-funded equipment will be installed. See Section II.A of the Solicitation Manual for more details. However, grant funds may be used for third-party subrecipient costs for project-related design and engineering and third-party subrecipient costs for measurement and verification of project performance. Please note that all applicants, including universities and laboratories, are subject to FPIP’s terms and conditions.
7. Where will final reports for projects completed be showcased?
   1. Projects, including final reports and results, are highlighted on the CEC's Energize Innovation site under Project Showcase at <https://www.energizeinnovation.fund/>.
8. Where do you find whether a facility resides in a disadvantaged area?
   1. To identify disadvantaged and low-income communities, use the California Climate Investment Priority Populations 2023 Map. The interactive mapping tool is located at [www.arb.ca.gov/cci-communityinvestments](http://www.arb.ca.gov/cci-communityinvestments). Refer to Section III.C.2.b of the Solicitation Manual for more information on priority population criteria.

# Solicitation

1. Is the goal of this solicitation reduction in global warming potentials (GWP) or GHG emissions?
   1. This solicitation’s goal is to accelerate the adoption of advanced energy and decarbonization technologies that support electrical grid reliability and reduce onsite GHG emissions and energy use at California food processing plants. Please refer to Section I.A of the solicitation manual.
2. Would the CEC consider extending the due date for the application of this funding? There is not enough time to share the message of this funding, especially for those in disadvantaged communities that are typically harder to reach.
   1. At this time the CEC does not anticipate extending the application deadline for this solicitation. There may be another opportunity for another round of applications if funding remains. Please see the response to Question #3.
3. Some federal tax credits in the Inflation Reduction Act (IRA) expire at the end of the year. Can you comment on timing of award of funds versus IRA expiration by December 31, 2024?
   1. The Notice of Proposed Awards (NOPA) for this solicitation’s first round of funding is anticipated to post approximately 30 days after the application deadline. Agreement start dates are then anticipated to be between quarter 3 and quarter 4 of 2024. Please refer to the Key Activities Schedule in Section I.E of the Solicitation Manual for more information. Please note that funding will only be applied to expenses that occurred after the start of the executed agreement date.
4. The Solicitation Manual references already built projects. Could this grant apply to new projects?
   1. No. This solicitation focuses on existing processing plants, and it does not fund new construction projects. Projects must be upgrades/replacements of existing equipment, or additions to existing equipment, that will result in GHG reductions to be eligible for funding.
5. Define what ‘commercially available equipment’ means.
   1. FPIP uses the term ‘commercially available technology’ and defines the term as equipment that is readily available for procurement and installation, has been widely used, and has performance and energy savings that are well documented. This equipment should be drop-in ready for replacement of existing equipment. Equipment must be fully developed and operational, and not in a research or demonstration phase. Please refer to Key Words/Terms in Section I.B of the Solicitation Manual for more information.
6. Can a technology that has been previously proven and successfully demonstrated under a CEC grant be defined as “commercially available equipment?”
   1. Not necessarily. CEC grants often fund prototypes with limited measurement and verification (M&V) and testing. This testing and collected data may be insufficient to determine technology performance and viability during long-term continuous testing under varying climate and load conditions. The technology must be considered “commercially available technology” to be eligible. Please refer to Question #11 for the definition of commercially available technology.
7. Define what “industry-standard practice” means.
   1. For the purposes of FPIP, industry-standard practice is defined as typical equipment, technology, or process commonly used in current practice. Standard practice is meeting current standards, such as meeting current Title 24 or other code or standard requirements (e.g., energy). To be eligible for FPIP, grant-funded equipment must exceed these current industry standards.
8. Can the funding from other programs be stacked with this funding if awarded?
   1. Third-party funds from non-CEC sources could be considered eligible match funds if they meet the requirements of Section I.K of the Solicitation Manual. However, previously awarded FPIP funds, other CEC program funds, and future/contingent awards are not eligible as match funds. If the applicant is leveraging or pursuing funding from multiple sources of GGRF, the applicant must describe all existing or potential GGRF sources in their application materials.
9. Can other GGRF funds be applied toward the match requirement?
   1. Yes, if the applicant is leveraging or pursuing funding from multiple sources of GGRF, the applicant must describe all existing or potential GGRF sources in their application materials. Please refer to the response to Question #19.
10. Can smaller food production facilities co-apply for FPIP funding to reach the $500,000 minimum award?
    1. No, only one food processing facility can apply in a single application.

## Project Team

1. **a.** Please clarify the difference between Subrecipient, Subcontractor (referenced in the FPIP Terms and Conditions), Vendor, and “Seller of item” (from Budget form, Equipment tab).

**b.** What are some real-world examples of each role, and how are they distinguished?

**c.** Are subrecipients ONLY design & engineering (D&E) and M&V (page 6 of solicitation), or are other subrecipients possible?

**d.** Are Vendors also “Seller of item” in the equipment tab of the budget?

* 1. **a.** The term ”subrecipient” is interchangeable with the term “subcontractor.” A **subrecipient** is defined as an entity that receives grant funds directly from the Recipient and is entrusted by the Recipient to make decisions about how to conduct some of the grant’s activities.  A subrecipient’s role involves discretion over grant activities and is not merely selling goods or services.

Characteristics which support the classification of the entity as a subrecipient include when the entity:

* Has its performance measured in relation to whether objectives of a CEC program were met;
* Has responsibility for programmatic decision-making;
* Is responsible for adherence to applicable CEC program requirements specified in the CEC award agreement;
* In accordance with its agreement, uses the CEC funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the recipient or sub-recipient; or,
* Provides match share funding contributions to the CEC-funded project.

The term ‘vendor’ is interchangeable with the term “seller of item.” A **vendor** is defined as a person or entity that sells goods or services to the Recipient, Subrecipient, or any layer of Sub-Subrecipient, in exchange for some of the grant funds, and does not make decisions about how to perform the grant’s activities. The Vendor’s role is ministerial and does not involve discretion over grant activities. A vendor is an entity selected through a competitive process or is otherwise providing a product or service at a fair and reasonable price.

Characteristics indicative of a procurement relationship between the recipient or subrecipient and a vendor are when the vendor:

* Provides the goods and services within normal business operations;
* Provides similar goods or services to many different purchasers;
* Normally operates in a competitive environment;
* Provides goods or services that are ancillary to the operation of the CEC program; and
* May not be subject to compliance with all of the requirements of the CEC program as a result of the agreement, though similar requirements may apply for other reasons.

For additional Budget Category Guidance, please visit <https://www.energy.ca.gov/funding-opportunities/funding-resources/ecams-resources>.

**b.** For example, a coffee roasting facility (Recipient) proposes replacing its fossil gas roasters with electric roasters. The coffee roasting facility will procure and purchase the roaster from the equipment seller (Vendor). This procurement is typically a one-time interaction and would not affect the direction or purpose of the project. The coffee roasting facility will partner with a third-party contractor (Subrecipient) to design and engineer or perform measurement and verification for the replacement of the roasters. These tasks required constant collaboration throughout the project term and may impact the project's direction.

**c.** Under this solicitation, grant funds can only be applied to subrecipients who perform D&E and/or M&V. The Recipient may acquire other necessary subrecipients to make the project successful but cannot use grant funds for reimbursement.

**d.** Yes, the term ”vendor” is interchangeable with the term “seller of item,” and typically the vendor is the seller of the item (or equipment).

1. What is a California-based vendor? Does California vendor mean a vendor that is an equipment distributor, a manufacturer, or both?
   1. Both, a California-based vendor is a vendor with equipment manufactured in or with a distribution center in California.
2. Is it permitted for an equipment provider to partner on more than one proposal (that is to say, with more than one food processor)?
   1. Yes, as an equipment vendor there is no limit to the number of applicants who can use your equipment.
3. If the project has no equipment that was purchased from a California-based vendor, would it still qualify?
   1. Yes, the project is still eligible for funding, but it will not receive points for California-Based Vendors. Please refer to Scoring Criteria in Section IV.F, Criterion 5 of the Solicitation Manual.
4. Can you please confirm that the caps for each entity receiving awards is per round of FPIP, so customers awarded in round 1 are eligible to receive full funding in round 2?
   1. Yes, funding caps as described in the Solicitation Manual, Section II.B.3 are reset. If an entity was awarded funding through a previous solicitation, it will not count toward the entity’s maximum award cap of $5 million.

## Match Funding

1. For match funding, if an applicant receives a $500,000 award, the applicant will need to provide a matching fund of $125,000 by multiplying 25 percent by $500,000?
   1. Correct. Match funding is required in the amount of at least 25% of the requested FPIP funds. To further clarify, the calculation for match funding is: Requested Funding x .25 = the match fund minimum amount. This should not be confused with the total grant amount, which is the Requested Funding + Match Funding.
2. Does having more match funding mean a higher score for the application? For example, does a project with 50% match receive more points than a project with 25% match?
   1. Match funding is not a scoring criterion. For an application to be eligible for funds it must provide the minimum match requirement amount (at least 25% of the requested FPIP funds). However, additional match funds beyond the minimum requirement can be viewed favorably during application review.
3. If a utility incentive program is used as part of the satisfaction of the match funding requirement, could a typical “conditional incentive reservation document” be used as the match funding commitment letter?
   1. No, a conditional approval document from a utility incentive program would not satisfy the requirements of a match funding commitment letter. A match funding commitment letter must be signed by a representative of each entity or individual committing to providing match funding and must also (1) identify the source(s) of the funds, (2) identify the dollar value of the match funds, (3) guarantee the availability of the funds, and (4) provide a strategy for replacing the funds if they are significantly reduced or lost. See Section III.C.7 of the Solicitation Manual and Attachment 7 for the full requirements for match funding commitment letters.

## Eligible Cost

1. Please clarify how to account for the total cost of the equipment. There are costs associated with an equipment purchase beyond simply showing up with equipment and being operational. For example:

* preparing the site for equipment delivery (excavation, foundations, etc.)
* assembling the equipment on site
* hooking up the equipment to existing infrastructure (electric, water, gas collection, etc.)
* commissioning the equipment
* travel to/from the site for workers
* materials required (i.e. rebar, concrete, wires, etc.)

Should all those costs be included in the “Equipment” tab as a part of one piece of equipment?

* 1. Typically, the total cost of equipment includes, but is not limited to, the direct cost of the equipment, shipping or delivery costs, and tax. CEC staff may consider other related costs eligible if the applicant can provide additional justification. Please note installation costs (i.e. labor or permits) are not eligible costs for reimbursement or match fund consideration under this solicitation.

Eligible costs for this solicitation include:

* Equipment costs
* Third-party subrecipient costs for project-related D&E.
* Third-party subrecipient costs for M&V of project performance.

Please refer to Section I.D, Funding in the Solicitation Manual.

In reference to the example provided:

* Costs related to preparing the site for equipment (excavation, permitting, etc.) are not eligible costs under this solicitation.
* Costs related to assembling the equipment would fall under the scope of installation labor, which is not an eligible cost under this solicitation.
* Labor costs related to installation and commissioning of the equipment are not eligible under this solicitation. However, related materials (piping, conduit, etc.) that would be permanently installed would be eligible.
* Costs related to commissioning the equipment are not eligible costs under this solicitation.
* Travel and costs related to travel are not eligible costs under this solicitation.
* Materials (electrical, mechanical, or instrumentation) required to complete the replacement of the equipment are eligible (bolts, supports, coatings, wiring, etc.).

The applicant should provide a clear description of how the grant funds will be allocated. It is up to the applicants to determine the proper level of detail.

1. Would the cost of the delivery of the components be covered under grant funds?
   1. Yes, equipment delivery costs are eligible under this solicitation.
2. Would the cost of components such as electrical wire, electrical conduit, and plumbing be covered under grant funds?
   1. Yes, materials required to complete the replacement of the equipment are eligible costs under this solicitation.
3. Could infrastructure improvement made to secure a project be considered for grant and/or matching funds?
   1. Infrastructure improvements can be eligible costs only if directly related to the equipment reducing GHG emissions.
4. Can the applicant apply construction costs to meet the match funding requirement? For example: If the equipment cost is $3,000,000 and construction costs are $2,000,000, can the $2,000,000 in construction costs be applied as match funding to meet the 25% match requirement of the grant award?
   1. No, construction costs cannot be used as match funding, because they are not eligible costs.
5. Can installation of eligible equipment be bundled with the equipment purchase so as to be eligible for funding under this FPIP grant funding opportunity (GFO)?
   1. No, FPIP only reimburses the equipment portion of the costs. When invoicing, it must be clear that funds received are directly applied to equipment and not installation.
6. Are the following expenses incurred for equipment considered eligible costs?

a. California sales tax

b. Equipment shipping and delivery

c. Equipment customs clearance charges

d. Equipment Installation supervision and start-up support provided by equipment supplier

e. Training provided by equipment supplier

* 1. **a.b.c.** Eligible equipment costs include the following: California sales tax, equipment shipping and delivery, and equipment customs clearance charges.

**d.e.** Ineligible costs include the following: Equipment installation supervision, start-up support provided by the equipment supplier, and training provided by the equipment supplier.

## Budget

1. The FPIP Terms & Conditions (page 12) says invoices will include "Subcontractor invoices that include costs for direct labor, fringe benefits, travel, miscellaneous, subcontractors, and indirect and profit, as appropriate, for correspondence with the budget.” What do vendor invoices need to include?
   1. The FPIP Terms & Conditions cover the program as a whole and may reflect additional language that is not applicable to every situation. Vendor invoices should only include direct costs associated with equipment. Direct costs could include the cost of the equipment, taxes, and shipping costs.
2. Do applicants submit budget forms for each subrecipient and vendor, or are they only for the applicant in the grant application?
   1. Under this solicitation, only the applicant will submit the budget form (Attachment 5). Grant awards will only reimburse subrecipients’ costs up to a maximum of $100,000; therefore, no budget forms are required for subrecipients. See Section III.C.5 of the Solicitation Manual for further details.
3. Is an equipment vendor required to submit a major subcontractor budget?
   1. No, equipment vendors are not required to submit major subcontractor budgets. Equipment must be included in the budget of the Prime Recipient in Attachment 5, Budget Form.
4. Within the Budget form (Attachment 5), the “Category Budget” tab’s line 19 “Total Indirect Costs and Profit" is locked. How should the applicant calculate and enter the budget for these Indirect Costs and Profits?
   1. The only eligible costs for funding under this solicitation are (1) equipment costs, (2) third-party subrecipient costs for project-related D&E, and (3) third-party subrecipient costs for M&V. The “Total Indirect and Profit” category budget should always remain zero, with no calculation needed. Please refer to Section III.C.5 of the Solicitation Manual for further details.
5. Equipment has its own tab where the budget for equipment is entered. There is also a Subrecipient & Vendors tab where their budgets are entered. Both totals of these tabs are combined into the Grand Totals cell in the Category Budget tab. However, if equipment is purchased from a vendor, the amount shows up twice in the Category Budget tab (once from the Equipment tab and once from the Vendor tab). How do we enter Equipment amounts without doubling it by entering Vendor amounts?
   1. Only enter equipment costs into the Equipment tab and not under the vendor in the Subrecipient & Vendors tab.
6. Qualifying M&V costs will be shown in the Budget Form. If the application is accepted, then those are the acceptable M&V costs?
   1. If you are selected for an award, the M&V costs shown in your application Budget Form (Attachment 5) may be negotiated. Please note: the CEC only reimburses for actual costs up to the amount shown in the agreement budget.
7. **a.** The Solicitation Manual states, “…*subrecipient profit is allowable, though the maximum percentage allowed is 10% of the total subrecipient rates for labor, and other direct and indirect costs as indicated in the Category Budget tab*”. Where can the applicant enter labor in the budget to calculate the profits allowed for it?

**b.** Does the applicant get to account for that labor, or is it not an eligible cost but profit on labor is?

**c.** Is profit allowed on equipment supplied by subrecipients?

**d.** Do vendors have a maximum allowable profit and what is it based on?

* 1. **a.** Recipients that acquired eligible third-party subrecipients may use the CEC’s ECAMS budget as a tool to determine subrecipients’ profits, at https://www.energy.ca.gov/files/proposal-budget-template. If used, **this budget is not required to be submitted using separate budget sheets in the application,** as all eligible subrecipients’ costs for reimbursement have a maximum of $100,000 threshold, so separate budget sheets are not required.

**b.** Applicants can account for and include subrecipients’ labor related to D&E and M&V tasks. Subrecipients’ profit on labor is allowable. Installation labor, administration, accounting, permitting, or project management are not eligible costs.

**c.** No, under this solicitation, profit on the equipment is not allowed.

**d.** Vendors do not require a budget, so profit is not applicable. Please see the response to Question #21 for more details on the definitions of a vendor versus a subrecipient.

1. Is the $100,000 subrecipient maximum for reimbursement for the total subrecipient category, or is it the limit for each subrecipient?
   1. The $100,000 threshold is for each subrecipient performing tasks related to D&E and M&V. For example, a project can have one third-party D&E sub-recipient with a budget of $100,000 and one third-party M&V sub-recipient with a budget of $100,000. The project’s total budget for subrecipients would then be $200,000.
2. Can the same subrecipient perform the M&V and D&E tasks, with each task valued at $100k or less? Or would the subrecipient be limited to $100k in total between the two tasks since the same subrecipient is performing them?
   1. One subrecipient can perform both D&E and M&V tasks but is limited to the $100,000 budget requirement. Also, the budget must have clear and distinct line items for both tasks, meaning the tasks cannot be grouped together.
3. Do we need to outline labor costs associated with the project if they are not covered under the grant funds and cannot be used as matching funds?
   1. No, you do not need to include any costs not covered by the grant or its matching funds. You do not need to submit a budget for non-eligible costs.
4. Should measuring the baseline be included in the M&V budget? Otherwise, it will be hard to see companies pay for baseline data before they know if the projects will get funded?
   1. The baseline required for the application will be estimated based on current equipment type and operations, using the emissions factors in the FPIP Benefits Calculator (Attachment 8). Establishing this baseline as part of the application is not reimbursable by the grant. Applicants should use the best available information to fill out the baseline portion of the FPIP Benefits Calculator. Funding for post-application M&V for baseline and post-retrofit can be funded by the grant, if a third-party subcontractor is used for this M&V (refer to Section II.B.2 of the Solicitation Manual). There are three M&V phases: Phase I M&V will be conducted before application submittal and is not reimbursable by the grant. Phase II M&V will happen before equipment is installed to obtain a more accurate baseline. Phase III will be post-installation. Phase II and Phase III are reimbursable expenses under the M&V category if the work is done by a third-party subcontractor.
5. The Solicitation Manual states, "… *the grant will reimburse subrecipients' costs up to a maximum of $100,000 with FPIP funds, while any remaining subrecipient costs will be eligible to be accounted for under the match fund requirement. Use of recipient’s in-house staff is not reimbursable.*" Why does the grant not cover other subrecipients that contribute to the project?
   1. This program is interested in independent analysis and verification of energy-related savings. The FPIP grant is used to supplement funding for the project and not supplant funds. Paying in-house staff for M&V and D&E is supplanting funds, since these staff are already paid by the organization.

If the subrecipients’ proposed budget is higher than $100,000, the grant can reimburse up to $100,000, and the Recipient may use the remaining subrecipients' cost as match funds to fulfill the match requirement. Please remember that only eligible costs can be accounted for grant reimbursement and as match funds; therefore, activities like installation labor do not qualify.

## Equipment

1. Is it possible to have shared ownership of the proposed equipment under this solicitation?
   1. No, equipment paid for with grant funds must be under sole ownership of the Recipient. FPIP's Terms and Conditions, Section 14, state, "[T]itle to equipment acquired by the Recipient with grant funds will vest in the Recipient." Please refer to the FPIP Terms & Conditions for more information at: <https://www.energy.ca.gov/funding-opportunities/funding-resources>.
2. If a facility has a vendor that is going to install equipment and the vendor will own 80% of the equipment and we will own 20% of the joint venture, will the facility portion be eligible for the FPIP funding?
   1. Yes, if the 20% covers the cost of the equipment to be purchased by the CEC grant and meets the requirements of the solicitation and Section 14 of the FPIP Terms and Conditions. The equipment purchased with CEC grant funds must be owned by the Recipient, and the CEC is not responsible for any agreement with a third party. Rental fees are not an eligible cost.
3. Is third-party financing and ownership of eligible equipment installed at the applicant's facility allowed if the applicant remains the direct Prime of the CEC grant?
   1. No. The Recipient must hold title to the equipment, and the CEC is not responsible for any agreement with a third party. Rental or lease fees are not eligible costs. Please refer to the response for Question #49.
4. Can a project lease equipment?
   1. No, projects are not allowed to lease equipment. Please refer to the response for Question #51.
5. Do the food processing plants have to be the ones that own the equipment? For example, if a microgrid is installed, do they have to be the ones that own and operate it?
   1. The Prime Recipient must own at least some of it. Additionally, funding will only be allowed for the portion that is owned by the Recipient. Please refer to the response for Question #50.
6. If eligible equipment has already been ordered, is it eligible for reimbursement?
   1. No, equipment can only be purchased during the agreement term.
7. Would M&V equipment (measurement meters and tools) be reimbursed if M&V was done in-house?
   1. Yes, if the equipment is a permanent installation in the facility.
8. Can a third-party M&V subcontractor request funds for testing and measuring equipment and sensors?
   1. No, third-party M&V subcontractors cannot include costs for equipment and sensors. Eligible costs for subcontractors are limited to the following categories: Direct Labor, Fringe Benefits, Travel, Subcontractors, and Indirect Costs. The Prime Recipient may purchase instrumentation and control equipment if the following conditions are met: (1) the equipment is required for the system to function properly; and (2) it is intended to be a permanent component of the system (i.e., not removed after the project is complete).
9. Can secondary equipment, materials, or supplies necessary for the eligible equipment operation, therefore indirectly related to direct GHG savings, be included as eligible costs? For example, vessels and piping, new structural (new concrete pads, bracing, steel infrastructure, etc.), or safety-required equipment (containment, etc.).
   1. Yes, secondary equipment, materials, or supplies necessary for the eligible equipment operation are considered eligible costs. Infrastructure improvements may be eligible costs only if directly related to the equipment reducing GHG emissions. The applicant's budget should account for these costs under the equipment category. Please note that installation costs are not eligible costs.

## California ENVIRONMENTAL Quality Act (CEQA)

1. **a.** If we are replacing existing permitted equipment that does not require any construction/engineering/etc., do we need to have the local authority still sign off on an exemption from CEQA?

**b.** Could we provide case-law as evidence of exclusion from CEQA for drop-in ready technology from previous projects in local authority jurisdiction as evidence of CEQA exemption?

**c.** To qualify for FPIP, does the project have to go through a full CEQA process, or could it qualify if it went through a Mitigated CEQA or Administrative Review process with the local authority?

**d.** For a project to qualify for FPIP funding, does it have to go through a full CEQA process?

* 1. **a.** Applicants must complete the CEQA Compliance Form (Attachment 6) and provide the CEC with the requested information to the best of their ability, including any backup information to justify application responses.

**b.** If a previous project has received a notice of exemption and shows the specific exemption under CEQA, include this information as backup in the application. Citations to applicable caselaw, statutes, or regulations may be provided in the CEQA Compliance Form.

**c.** A project does not need to go through a full CEQA process prior to application submission. The CEC will evaluate each project to determine whether it is exempt from CEQA. Completing Attachment 6 will support that determination. If a project is not exempt, and the project is selected for an award, then any required CEQA review must be completed before the CEC can approve the project. This will be taken into consideration during application review. Please see Section 1.I of the Solicitation Manual regarding CEQA review.

**d.** Before the CEC can approve funding for a grant project, it must complete CEQA review.

1. Could a project that receives approval by the local authority that prepared an environmental document for a project, such as a Mitigated Negative Declaration, be approved for funding?
   1. Yes, if a local agency has already completed environmental review through a Mitigated Negative Declaration and approved the project, then the CEC can rely on that environmental review and project approval. Acting as a responsible agency, the CEC must review and consider the environmental documents prepared by the lead agency when making its decision on the project.

# Applicant and Facility

## Applicant

1. Is there a size of company that is preferred for this program? Is there a limit on the size or revenue of the company?
   1. There is no preference for company size. This solicitation is open to all California food processors and related supportive facilities. Please see Section II.A in the Solicitation Manual for more details on the applicant’s requirements.
2. Each application is limited to $5,000,000, but is each recipient also limited to $5,000,000 in total grants?
   1. Applicants do not have a limitation on the number of grants that can be awarded. If an applicant submits multiple applications, each application must be for a distinct project (i.e., no overlap with respect to the tasks described in the Scope of Work). Each application must request grant funds that fall between the $500,000 and $5,000,000 threshold and that adhere to the funding requirements in Section I.D. of the Solicitation Manual. The exception is that a single entity cannot receive a combined total of more than $8,000,000, or 20% of the available funding, over all its awarded grants under this solicitation.
3. Can project developers who work with food manufacturers qualify as applicants? The project developer would deploy and own waste heat to power equipment, and the food manufacturing facility would use the clean electricity produced (under a Power Purchase Agreement).
   1. An applicant must own or operate one or more food processing facilities where grant-funded equipment will be installed. To be eligible for FPIP funds, applicants must fall under the codes listed below, defined by the North American Industry Classification System (NAICS):

* 311 (Food Manufacturing),
* 3121 (Beverage Manufacturing), and
* 493120 (Refrigerated Warehousing and Storage).

Applicants must also meet the other requirements listed in Section II.A of the Solicitation Manual.

From the description provided in the question, the project developer would not be eligible to be the applicant/Recipient but could potentially be on the project team as a subrecipient. Please note that the food facility/Recipient must hold title to the equipment purchased with the FPIP grant. The food processor can hire a firm to build and operate the project—but these costs are not covered by the grant. All projects must meet the requirements of the solicitation and Section 14 of the FPIP Terms and Conditions. As stated in Section 14 of the FPIP Terms and Conditions, “Title to equipment acquired by the Recipient with grant funds will vest in the Recipient.” Any transfer of ownership during the term of the grant must be approved by the CEC. The FPIP Terms and Conditions can be found at: <https://www.energy.ca.gov/funding-opportunities/funding-resources>.

1. Please provide examples of "supportive facilities"? Would a food bank or large warehouse-style grocery store (e.g., Costco) be considered eligible projects?
   1. We define supporting facilities as those listed under NAICS code 493120 – refrigerated warehousing and storage. Food banks and large warehouse-style grocery stores would not be eligible under this solicitation.
2. Should the applicant be the technology manufacturer on the project or recipient of the equipment? Can a technology manufacturer be the primary applicant?
   1. No, technology manufacturers or project subcontractors are not eligible to apply and cannot be the Prime Applicant. The applicant must own or operate one or more food processing facilities located in California and fall under the defined NAICS codes 311 (Food Manufacturing), 3121 (Beverage Manufacturing), or 493120 (Refrigerated Warehousing and Storage). Applicants may use subcontractors to assist them in grant application preparation; however, the application package must be reviewed and signed by the applicant prior to submission. Please note that Section IV.D.1 of the Solicitation Manual states, "The CEC will not reimburse applicants for application development expenses under any circumstances, including cancellation of the solicitation." Costs must be incurred during the agreement term to be reimbursable or counted as match funds.
3. As a food plant, should we apply directly for the grant, or should we work with an energy firm to apply? We would hire the subcontractor so almost all of the funds would go to the subcontractor to perform the work for our technology.
   1. Food processing facilities must apply directly. If you hire a separate party to prepare your application and perform the work identified in your grant proposal, the CEC grant will only apply to the costs associated with equipment and to subcontractor costs associated with D&E and M&V. In addition, match funds are limited to only the eligible costs as defined in Section 1.D.1 of the Solicitation Manual.

## Facility

1. Are facilities with the NAICS codes 311, 321, and/or 493120 as the non-primary (or secondary) code instead of the primary code eligible? Our primary NAICS is 424480 reflecting our primary revenue activity that is highly dependent on our processing and packaging activities. We are an indoor agricultural company, growing, harvesting, packing, and shipping fresh produce all within a single facility. We have several potential projects that we believe would strongly align with the FPIP as we currently use food processing that is older and energy intensive and we know of commercially available upgrades that would result in substantial energy savings. I think the portion that might be the best eligible element of our business is that after we harvest and pack our product, we than move it into a cooler where it is brought to temperature and stored until it is sent to the retail distribution center via a refrigerated truck. The cooler part of the project I believe may fit within 493120 guidance, and our cooler upgrade project idea would meet the program guidelines.
   1. Under this solicitation, you can apply using your secondary NAICS code. Additionally, you must provide supportive documentation clarifying what the second NAICS code is and where it applies to the facilities. FPIP funding will only cover systems that fall under allowable NAICS codes.
2. NAICS code 311 classifies food manufacturing plants as transforming agricultural products into products for immediate or final consumption. Could this project be considered a food processing facility if agriculture was grown and also cooked/prepared in this facility?
   1. Possibly; the facility has to fall under NAICS codes 311 (Food Manufacturing), 3121 (Beverage Manufacturing), or 493120 (Refrigerated Warehousing and Storage). A restaurant or other food service facility (e.g., cafeteria, food court) is not eligible.
3. Can a beverage manufacturer apply to this solicitation?
   1. Yes, food processing facilities may apply if they are located in California and defined by the NAICS codes 311 (Food Manufacturing), 3121 (Beverage Manufacturing), or 493120 (Refrigerated Warehousing and Storage). Applicants must also meet all eligibility and other criteria specified in the solicitation. For more information, please refer to Section II.A of the Solicitation Manual.
4. Is a facility that is a citrus packing house, used for the cultivation of cannabis, and has a manufacturing license for making cannabis-infused products eligible for this solicitation?
   1. No, packing and cannabis production facilities are not eligible for this solicitation.
5. Are coffee roasting facilities eligible for this solicitation?
   1. Yes, if your coffee roasting facility falls under the NAICS codes 311 (Food Manufacturing) or 3121 (Beverage manufacturing), it will be eligible.
6. Is a controlled environment agriculture facility, with the primary NAICS code of 424480, that does harvesting and packaging onsite to sell directly to retail as a packaged finished product eligible for this solicitation?
   1. Possibly; the primary NAICS code does not fall under the eligible food processing facilities for this solicitation, but if the secondary code does fall under the eligible food processing facilities for this solicitation, the project could be eligible. Please refer to Question #66.
7. I am writing on behalf of Premier Mushrooms Inc. – a grower and producer of mushrooms in Colusa, California (1 hour north of Sacramento by car). We are interested in applying for FPIP, and it was our understanding that we could until very recently. We realized the NAICS classification for FPIP only allows 311 to apply. Premier Mushrooms is a (111)411 code – which is specifically for mushroom growing. That said, the entire process is indoors, and we provide high volumes of steam, humidity, and cooling to the growing rooms 24/7/365 in a controlled room environment. Although we’re growing a product, it’s much more similar to a food production operation in that we have a significant level of inputs to the process on a constant basis. In addition to that, we also slice, chill, till, and package our product – which we believe qualifies us as eligible candidates for FPIP. Could you please verify that we are in fact eligible to apply for this grant?
   1. Possibly; the primary NAICS 111411 code does not fall under the eligible food processing facilities for this solicitation, which include NAICS codes 311 (Food Manufacturing), 3121 (Beverage Manufacturing), and 493120 (Refrigerated Warehousing and Storage). Under this solicitation, you can apply using your secondary NAICS code if it is eligible. Additionally, you must provide supportive documentation clarifying what the second NAICS code is and where it applies to the facilities. FPIP funding will only cover systems that fall under allowable NAICS codes. Please refer to the response to Question #66.

# Project and Technology

## GHG Emissions

1. In regards to equipment that you may install that will provide electricity energy savings and natural gas savings, can the applicant claim the GHG emissions savings that are associated with the natural gas savings in that scenario?
   1. Yes, GHG emission reductions associated with fossil gas are considered in application scoring if the proposed technology is eligible. See Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
2. Can food facilities include emissions savings resulting from suppliers (scope 3 emissions)? If so, how does the food facility factor that into the impacts in terms of GHG emissions analysis?
   1. No, facilities can only include off-site emission reductions as a co-benefit for the GHG emissions analysis. Additionally, any off-site emissions that are tied to the grid can be calculated using the FPIP Benefits Calculator (Attachment 8).
3. Can we count volatile organic compound (VOC) reductions as a benefit?
   1. FPIP funding supports projects that reduce energy and GHG emissions. If VOC reduction is a part of the overall project, it is considered a co-benefit and calculated using the FPIP Benefits Calculator (Attachment 8).
4. Please elaborate on the GHG emissions savings when bundling projects and any other limitations or requirements.
   1. Bundling of eligible technologies within the same facility and/or bundling of multiple facilities within the same company is allowed. GHG emission reductions must be evaluated for each portion of the project and combined into one lump reduction. Please see Question #61 for further limitations and requirements.
5. How does an applicant estimate the baseline (required for the application) for the facility and the proposed equipment/systems that will be replaced?
   1. The baseline required for the application will be estimated based on current equipment type and operations, using the emissions factors in the FPIP Benefits Calculator (Attachment 8). Establishing this baseline as part of the application is not reimbursable by the grant. Applicants should use the best available information to fill out the baseline portion of the FPIP Benefits Calculator. If baseline data is unavailable, equipment specification sheets for the existing equipment can be used in conjunction with the U.S. Department of Energy’s MEASUR[[1]](#footnote-2) tool to estimate baseline energy use. Utility and other related energy data sources can also be used as supporting materials. The grant can fund the post-award M&V for baseline and post-retrofit if a third-party subcontractor is used for this M&V. Post-award M&V will be monitored, collected, and verified to validate the GHG emissions and energy reductions attained by the equipment installations.

There are three M&V phases: Phase I M&V will be conducted before application submittal and is not reimbursable by the grant. Phase II M&V occurs after the grant award and will happen before the grant-funded equipment is installed to obtain a more accurate baseline. Phase III M&V will be post-installation of the grant-funded projects. Phase II and Phase III are reimbursable expenses under the M&V category if a third-party subcontractor does the work. Please refer to Section II.B.1 of the Solicitation Manual for more information.

1. Attachment 2 mentions that installations require greater GHG reductions than best practice or industry standard. If there’s a situation where a site is bringing installations up to best practice but still demonstrating GHG reductions, does that still qualify?
   1. No. To qualify for funding, the technology implemented must go beyond standard best practice or industry standard. The premise of this program is to install equipment that is better than industry standard and not just bring the facility up to current standards. See Question #18 for a definition of industry standard practice.
2. How should the applicant determine the past two-year electricity consumption of a process or piece of equipment compared to the overall energy consumption of the complete facility?
   1. Please refer to Question #77.
3. Can an applicant use past utility data of the facility if they do not have the specific energy data on the existing equipment or process being proposed for replacement?
   1. Please refer to Question #77.
4. Say you’re going to combine two facilities and move equipment from one facility to the new facility; would it be applicable to discontinue use of old equipment but purchase new equipment that would overall reduce footprint of both facilities?
   1. Both facilities must already exist. You must show the net GHG and energy reductions from each project at the individual facilities. Expansion of any facility is not eligible for FPIP funding.
5. In regards to M&V Plans, are all International Performance Measurement and Verification Protocol (IPMVP) Options A-D eligible?
   1. Only options A-C are eligible, and A and B are strongly encouraged. It is up to the applicant to choose the M&V method. It can be a recognized protocol like IPMVP or another protocol or methodology. Whatever method is used must be robust enough to evaluate and validate energy saving GHG emissions at the equipment level and the system or facility level. FPIP will only fund M&V conducted by independent third-party contractors.

## Technology Readiness Level (TRL)

1. How do we 'prove' that our technology is commercially available and a mature technology?
   1. In the application submission, provide examples and data of successful implementation of the technology in other food processing applications with independent verification of actual benefits. This could include but is not limited to reports, field studies, and cost benefit analysis.
2. Would a steam-generating heat pump technology that is currently at TRL 7, but will be at TRL 8 by the time of installation (per the requirements of a separate CEC grant) be eligible for funding? We have a technology that is currently at TRL 7 but will be at TRL 8 by the time of installation - is this technology eligible for funding?
   1. No, the technology must be proven to be at a TRL of 8 or above at the time of application.
3. For project eligibility, a prior project is deployed and operating at a facility with NAICS code 311119. Does this satisfy the requirement of “commercially proven at similar food processing facilities”?
   1. Yes, if it was proven in an actual food processing application with independent verification of actual benefits, it will be considered eligible. See question #83 for additional details.

## Project Eligibility

1. When will we know about additional projects acceptable for funding?
   1. If additional technologies become eligible for FPIP funding, they will be added to the Solicitation Manual via an addendum, which will be announced on the FPIP subscription list.
2. Can funding be used for a planned expansion? For example, to put in energy efficient equipment in a new expansion.
   1. No, expansion projects are not eligible for FPIP funding.
3. If there is a project that will reduce carbon emissions but increase electricity use (electrification projects), would that be scored lower because of the increased electricity usage?
   1. Not necessarily; projects are evaluated and scored against all criteria in the Solicitation Manual (refer to Section IV of the Solicitation Manual). Projects may receive lower points in one scoring criteria area but the maximum points in other scoring criteria areas. In addition, electrification technologies may be combined with other technologies like load flexibility or renewable generation to reduce a project’s electric grid impacts.
4. We are a dried fruit processor in Northern California and have multiple facilities and want to bundle several projects such as biogas regeneration into electrical generator, optimization of processes that will significantly reduce GHG emissions, installation of solar and wind electrical generation, etc... Would these projects qualify?
   1. More details are necessary to give a full answer. Each of these technologies would not qualify as a stand-alone project. If they are part of a larger project as defined in Section II.B.2 categories “Distributed Energy Resources (DER), Load Flexibility, & Microgrids” or “Fuel switching,” then they could possibly be eligible. Additionally, no future expansion or generation of biogas production is eligible. It must be already existing biogas onsite that is repurposed.
5. If we have a waste heat to energy technology that is part of a natural gas project, such as an advanced adsorption chiller driven by waste heat, would that be eligible on a stand-alone basis? Same question if we add energy storage and/or solar to a fossil fueled combined heat and power (CHP) project?
   1. From the description provided, the project would not be eligible as a stand-alone project. The emphasis must be on load flexibility and energy storage and not the fossil gas project. Additionally, all fossil fueled projects are not eligible under this solicitation.
6. Can you expand on fuel switching? Is natural gas to electrical acceptable?
   1. Yes. Projects that switch energy sources from fossil gas to electric or any fossil fuel to electric are acceptable. Fuel switching projects must result in GHG reductions.
7. If the food processer is planning on procuring a gas-powered system for a facility but hasn’t yet, could they qualify for FPIP by purchasing an all-electric energy efficient system instead? Purchase of an all-electric system would support the goals of the FPIP solicitation. What would be an acceptable way to demonstrate that the purchase of a gas-powered system would occur without FPIP incentives?
   1. More details are required about the project, but to qualify, the new electric equipment must be replacing an inefficient outdated system and not be a future upgrade or expansion. This could potentially fall under eligible categories, “Advance Motors and Controls”, or “Fuel Switching”. Refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
8. Would it be possible to add Membrane Concentration as an eligible technology?
   1. Membrane concentration technologies are eligible already under the “Mechanical Dewatering” category. Refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
9. The FPIP program has previously covered the installation of steam traps and internal monitoring systems to “recycle otherwise wasted thermal energy for reuse in the facility” and “reduce energy usage” (FPIP 2022), and FPIP also included steam traps on the list of eligible equipment in the April 2023 FPIP Workshop. Furthermore, it is crucial to maximize steam system efficiency before installing other FPIP-eligible technologies like industrial heat pumps in order to optimize system sizing (and subsequent electricity usage). Is a steam trap maintenance and/or monitoring project eligible for funding under the FPIP 2024 solicitation?
   1. The program has funded steam traps and other fossil gas-reducing technologies in the past but is currently looking to focus on electricity savings. Steam traps are not currently eligible. Internal monitoring systems are eligible if the equipment is a permanent installation. Refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
10. Is converting a gas boiler to electric boiler considered a gas savings measure and eligible under Fuel switching?
    1. Yes, converting from a fossil-fueled boiler to an electric boiler would be considered a gas savings measure and meet the definition of Fuel Switching.
11. Is replacing fossil fuels with renewable energy an eligible project? For example, is replacing a fossil fuel boiler with a waste wood boiler eligible?
    1. No. From the example provided, the proposed technology would not meet the definition of “Fuel Switching” as described in the Solicitation Manual. Refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
12. Would a boiler replacement coupled with the use of renewable energy, such as renewable natural gas/biogas be eligible?
    1. No. The project described would not meet the definition of a “Fuel Switching” project as described in Solicitation Manual. Refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
13. Does the project have to replace existing infrastructure fully, or can the project augment existing fossil fuel-reliance equipment with cleaner technology?
    1. From the limited information provided, both project descriptions could be eligible. Infrastructure improvements may be eligible costs only if directly related to the equipment reducing GHG emissions. Projects must still meet all eligibility and other criteria specified in this solicitation. Please refer to Section II of the Solicitation Manual for more information. Proposed equipment must replace existing equipment at a food processing facility.

## Technology Eligibility

1. If technology is not listed on one of the checkboxes, do we put in “other”?
   1. If additional technologies become eligible for FPIP funding, they will be added to the Solicitation Manual via an addendum, which will be announced on the FPIP subscription list. Technologies that are added to the list of eligible technologies via an addendum would qualify as “other.”
2. Loaves & Fishes Family Kitchen is considering applying for funding from the CEC FPIP. Loaves & Fishes is one of the largest nonprofit meal providers in the San Francisco Bay Area. This organization provides complete nutritious meals to hungry and homeless families, low-income seniors, veterans, disabled individuals, and anyone who does not know where their next meal will come from. More than 1.9 million meals will be provided this fiscal year. The aim is to make the operations as sustainable as possible and feed people who are hungry while keeping the impact on the environment as light as possible. In 2019, the food recovery program was launched that not only increased the number of meals provided, but also reduced food waste from other partner commercial kitchens, thus reducing the community’s GHG emissions. We would like to request CEC FPIP funding for energy-saving equipment for a new, centralized commercial kitchen and a temperature-controlled truck for our food recovery program.
   1. No, FPIP only covers replacement of equipment at existing facilities. In addition, FPIP does not cover future expansions or mobile facilities.
3. Can onsite truck refrigeration be considered – for example, truck docking stations?
   1. Onsite truck refrigeration would be eligible if you are switching from diesel to electric and the electricity is produced by either a microgrid or other onsite renewable energy generation. FPIP would only cover costs associated with permanently installed equipment at the food processing facility and no vehicles.
4. Will the program consider adding lighting technologies to the eligible list since there is now an additional focus on grid benefits, grid resiliency, and electric savings? Utility incentives for lighting have significantly diminished over the last few years. Adding lighting technologies to this program would be an added effort to incentivize food processors to get additional GHG and energy savings at their facility.
   1. No, not at this time. If additional technologies become eligible for FPIP funding, they will be added to the Solicitation Manual via an addendum, which will be announced on the FPIP subscription list.
5. Can a technology that reduces carbon emissions be coupled with a technology that increases grid reliability (i.e. DER)?
   1. Potentially; to fully answer this question, more details would be required. The two technologies must be related somehow and not standalone. If the carbon emission reductions resulted by a fuel switch as defined in Section II.B.2 of the Solicitation Manual (fossil fuel to electric) combined with a DER, then yes. If the reductions occurred by replacing a gas boiler with a higher efficiency gas boiler coupled with a separate DER program, then no it would not.
6. Would conversions to liquid nitrogen systems/technologies be eligible for this grant? There are many California food processors that use carbon dioxide for food, cooling, and freezing. (Possibly under refrigeration optimization?)
   1. Liquid nitrogen systems/technologies are eligible under the ‘Refrigeration System Optimization’ eligible Technology in Section II.B.2 of the Solicitation Manual. The proposed project must show GHG emission reductions and/or energy benefits compared to the baseline system (carbon dioxide system).
7. Does implementing energy-efficient technology for refrigeration systems count as "additional technology?” The energy efficiency technology could be either upgrading existing systems or part of a new installation, aiming to reduce energy consumption in the facility.

Solar thermal is not widely used for food processing and is not a drop-in ready replacement. It has been commercially proven in these applications to reduce energy consumption and GHGs. Would a cost-competitive solar thermal solution with gas and heat pumps be eligible as a cutting-edge emerging technology for fuel switching, even though the grid would only supply a portion of the process energy?

* 1. Energy-efficient technology for refrigeration systems could be eligible under the “Refrigeration system optimization” or “Advanced motors and controls” categories depending on the technology that is implemented. For a thermal solar project to be eligible under fuel switching, there can be no fossil fuel powered equipment, and proof of cost-competitive data would have to be provided.

1. We have a project that will produce zero-carbon steam generated from solar electricity at an industrial food production facility. Is this technology eligible under the “DER, Load Flexibility & Microgrids” category?
   1. More details are required to fully answer this question, but this potentially could fall under either “Load Flexibility” or the “Fuel Switching” categories. Please refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
2. I work for Verkada, a security manufacturer here in San Mateo, and I work with a ton of agriculture companies to upgrade their security systems. Two of the biggest reasons why these companies go with us is to utilize high-end data analytics to improve their operational efficiency, and another is to utilize our environmental sensors to detect elevated total VOC, carbon monoxide, and CO2 levels in greenhouses. Can a “security” system revamp to tackle these issues be eligible for this grant?
   1. More details of this system revamp would be required. However, standalone software and controls are not eligible for funding and would need to be combined with a technology that is. Please refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
3. Is CHP that incorporates natural gas with ability to use renewable natural gas (RNG) in the future applicable? These are grid reliability assets typically located in disadvantaged agriculture communities at food processing and storage.
   1. CHP can fall under microgrids or load flexibility if it meets the definition of either as indicated in Section II.B.2 of the Solicitation Manual. Emphasize the microgrid or load flexibility concept as the focus of the project. However, planned future generation or use of RNG (biogas) is not eligible. Additionally, CHP cannot be a standalone project.
4. Will a CHP microgrid that significantly reduces onsite emissions be considered an eligible technology?
   1. Please refer to question #108.
5. Page 17 on the GFO lists refrigeration system optimization as an eligible technology, but refrigeration condensers and compressors are no longer explicitly detailed as eligible. Is replacement of aging condensers and compressors allowable?
   1. Yes, this could qualify either under “Advanced motors and controls” or under “Refrigeration system optimization” if it’s part of a larger refrigeration system upgrade. Any motor-driven system is eligible under “Advance motors and controls.”
6. Will a CHP microgrid with carbon capture and utilization be considered an eligible technology?
   1. Please refer to question #108. Also, please note that carbon capture and utilization is not eligible under this solicitation.
7. Do new solar systems qualify?
   1. Standalone solar systems are not eligible for funding. The project may be eligible if it is part of larger microgrid, load flexibility, or fuel switching project. Please refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
8. Can projects like installing Commercial Solar panels to power the Food Processor be considered for this funding?
   1. A project that installs standalone solar PV is not eligible for funding. The project may be eligible if it is part of a larger microgrid or load flexibility project, such as one that installs solar PV, energy storage, and other advanced energy technologies in a microgrid configuration. Please refer to Key Words/Terms in Section I.B of the Solicitation Manual for the definition of a microgrid.
9. Can control demand system technologies and high-temperature solar heating technologies be added to the eligible technology list for this solicitation?
   1. Control demand system technologies that serve solar thermal are not eligible under this solicitation. Solar thermal is not eligible under this solicitation as a standalone project. Refer to Question #105 for more information.
10. Is replacing gas boilers with electric heat pumps eligible?
    1. Yes, this would be considered a fuel-switching project and eligible. Please refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
11. Would retrofitting a cooling system with an absorption chilling system that uses waste heat to produce processing room space cooling directly, without the inefficiency of conversion first to electricity, be eligible?
    1. This technology may be eligible under the "Refrigeration system optimization" category if it meets the requirements as described in Section II.B.2 of the Solicitation Manual.
12. Will refurbished equipment furnished with new high efficiency motors (e.g., centrifuge) be eligible for the grant?
    1. Retrofit and replacement of existing inefficient motor-driven systems are eligible for FPIP funding. Purchase of used equipment that is refurbished with high efficiency motors is not eligible for FPIP funding. The installed equipment must be new and result in GHG emissions reductions.
13. Do you know if moving to an ammonia chilling system would be a project that could potentially obtain funding?
    1. This project may be an eligible project under “refrigeration system optimization” and/or “low-GWP refrigerants” technology categories if it meets the requirements as described in Section II.B.2 of the Solicitation Manual.
14. Are freezers and quick-freezing eligible for funding?
    1. Yes, freezers are eligible for funding under the “Refrigeration system optimization” and/or “Low-GWP refrigerants” technology categories. Any refrigeration/freezer replacements must use low GWP refrigerants as defined in Section II.B.
15. Would freezer insulation or a rebuilt freezer qualify for funding?
    1. Both may be eligible for funding if they meet the requirements under the “Refrigeration system optimization” and/or “Process equipment insulation” technology categories in Section II.B.2. There is not enough information provided to determine what “rebuilt” is referring to. Please note, used equipment is not an eligible FPIP cost.
16. Do LED lighting upgrades and/or advanced network lighting controls qualify for this program?
    1. No, lighting is not an eligible technology for FPIP. Please refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
17. Most of these food processing facilities have fleets transferring products; does CEC consider hydrogen-based electric vehicles (EVs) for transportation eligible?
    1. No, EVs are not eligible under FPIP. Please refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
18. Would bio filter technology (which could reduce the need to truck in compost) be eligible for the grant?
    1. No, the GHG reductions have to occur onsite at an eligible food processing facility as defined in Section II.A of the Solicitation Manual.
19. Is it a requirement that technology be used outside of California?
    1. No, there is no requirement on where the technology has been used to be eligible; the technology must meet the requirements listed in Section II.B of the Solicitation Manual.
20. Does a project that produces renewable electricity from food production byproducts for sale to the utility grid via the BioMAT tariff qualify?
    1. No. This type of project is not eligible. The purpose of FPIP is to reduce on-site GHG emissions at eligible food processing plants.
21. If a food processor were to create biogas compressed natural gas (CNG) fuel for various vehicles that service its facility (forklifts, product hauling trucks), would it qualify, even if those vehicles are owned by others? That is, many food processors lease or contract this hauling, but supplying these vehicles on site with biogas CNG would greatly reduce the food processor’s carbon intensity. Would that make the project eligible?
    1. No, any type of alternative transportation fuel is not eligible for funding. Please refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
22. If we build a solar farm remote from our facility to offset the power we use in our facility, is this eligible?
    1. No, that project would not be eligible as described. The project would have to be onsite, and it cannot just be a standalone solar photovoltaic (PV) system.
23. Would a bioenergy project that produces electricity and biochar from biomass qualify for submission?
    1. More information on the project is required to fully answer this question. If combustion of biochar is involved, then this would not be an eligible project. Please refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
24. Does CHP/Cogen fall into the category of microgrids?
    1. Yes, CHP/Cogen can fall under the microgrid category if it meets the definition of microgrid as indicated in Section II.B of the Solicitation Manual. Emphasize the microgrid concept as the focus of the project rather than CHP/Cogen. CHP/Cogen as a standalone project is not eligible.
25. Will a microbial fuel cell (MFC) technology be eligible for consideration? The technology is able to convert the high concentration organic content typically found in food and beverage production wastewater into direct electric energy and achieve potential energy savings and GHG emission reductions.
    1. Yes, as long as the technology meets the requirements of Section II.B of the Solicitation Manual, such as that the technology is proven to reduce GHG emissions and the MFC technology is located at an eligible food processing facility where the energy generated is being used to reduce GHG emissions, it would be considered eligible.
26. In terms of biogas production – would a grant application for enhancing a specific process of an existing digester be considered? For example, (a) adding a substrate treatment component at the front end to improve gas quality / digester performance, and (b) adding a drying component to help reduce moisture of the outgoing digestates?
    1. The digester enhancements described would not be eligible for funding, because it is not clear that it would result in on-site energy and GHG emission reductions. Refer to Section II.B.3 of the Solicitation Manual for more information.
27. To qualify as a “Waste Heat to Power” project, are you required to use existing waste heat?
    1. Yes, “Waste Heat to Power” projects must use existing waste heat.
28. For a stand-alone solar application that not only eliminates our GHG emissions, but also reduces utilities’ GHG emissions, how would this fit into FPIP program?
    1. Please refer to question #113.
29. Will the CEC consider Fuel Cells as an eligible technology for projects?
    1. Yes, fuel cells using renewable energy as energy generation could fall under ‘Load Flexibility’ or ‘Fuel Switching’ projects. Please refer to Section II.B.2 of the Solicitation Manual for more information on eligible technologies.
30. Do Waste Heat to Power technologies include liquid and/or air heat exchangers?
    1. Yes, liquid and air heat exchangers could be eligible under 'Waste heat to power’ projects.

# Submission

1. Is there any benefit to submitting the necessary documents for consideration under this solicitation earlier than the submission deadline? Are the applications reviewed as received or reviewed after the submission deadline?
   1. Applications will not be reviewed until after the submission deadline. We do encourage applicants to upload and submit application martials early in case there are any challenges encountered with application submission. In addition, after 5:00 p.m. there is no support from the CEC available should there be issues with application submission. A common issue experienced by applicants is an underestimation of how long document uploading can take during submission, resulting in incomplete applications due to the system shutting down at 11:59 p.m. Pacific Time on the submission deadline.
2. Once an application is submitted, does the applicant have the ability to revise the submission or provide additional information to ensure projects are approved?
   1. No. Once an application is submitted, the applicant will not be able to revise the submission or provide additional information. The applicant must contact the CAO in Section I.G. of the Solicitation Manual if they would like to withdraw the application and resubmit a revised application before the submission deadline. For instructions on how to apply using the ECAMS system, please see the "Applying for a Solicitation" document available on the CEC website at <https://www.energy.ca.gov/funding-opportunities/funding-resources>.
3. If an applicant applied to a previous FPIP GFO and did not pass, can they correct any errors or deficiencies and apply again?
   1. Yes, applicants who applied to a previous FPIP GFO and did not pass may apply again, assuming they meet the eligibility and project requirements. Applicants who received a debriefing should consider any feedback received and modify their applications accordingly. Previous evaluations are also available by request by emailing the CAO, Phil Dyer, at [Phil.Dyer@energy.ca.gov](mailto:Phil.Dyer@energy.ca.gov).
4. Can an application that bundles multiple eligible technologies and facilities under the same ownership into one application be awarded $5 million (the maximum amount that can be requested)?
   1. Yes. It is possible for one application to be awarded the maximum amount of $5 million.
5. Is there a template or an example that demonstrates the expected format of the commitment letter?
   1. For formatting and page limit expectations, please refer to Section III.A. of the Solicitation Manual. Attachment 7, Commitment and Support Letter Form, also provides detailed instructions and information to include within the letter.
6. What does “do not revise description of the products in task 1” mean?
   1. In Attachment 3 Scope of Work, do not revise any of the text in Task 1 General Project Tasks. Sections where text should be revised are indicated in blue text.
7. Can you share a completed example of the project schedule technical tasks section?
   1. The technical tasks section of the Project Schedule is to be completed by the applicants based on the proposed project and budget timeline. This information will be different for every project. The agreement term is expected to be 6/30/2024 - 3/31/2027. The Project Schedule (Attachment 4) template can be found on the solicitation webpage, located at [<https://www.energy.ca.gov/solicitations/2024-01/gfo-23-305-food-production-investment-program-fpip-2024>](https://www.energy.ca.gov/solicitations/2024-01/gfo-23-305-food-production-investment-program-fpip-2024).
8. For the application:

**a.** Can the project managers listed, as well as other contacts, be contractors of the applicant (i.e. non part/full time employees of the applicant)? And is it ok for that contact list to change after project award for substitutions in the event of staff changes, additional hiring, etc.?

**b.** Can any equipment, specifications, supplier, or listed contractor change after the application is awarded, as along as the budget or performance intent does not change? This might be the case if like equipment or service providers offer lower costs with equivalent equipment performance alternatives through engineering processes.

**c.** Can contractor markup for equipment or systems (i.e., complete refrigeration system, components, etc.) that cover installation performance warranties or certifications be included in eligible costs? For example, most purchase and assign agreements between the owner and supplier include references to control standard contractor markup allowances.

**d.** Is there any case where installation, labor, or technical services can be eligible outside of M&V related tasks?

* 1. **a.** The applicant must be a California food processor; however, the project manager listed can be from a third party. The contact list names may change in the event of staff changes.

**b.** Any changes in equipment, specifications, suppliers, or listed subrecipients or vendors must be approved by the CEC agreement manager in advance, before the implementation of the changes (please see the FPIP Terms and Conditions, Section 6, Amendments).

**c.** Installation costs are ineligible for grant funds. Third party contractor markup on equipment or systems related to performance warranties or certifications is eligible but subject to additional justification and documentation per CEC staff request.

**d.** No. Only labor associated with M&V and D&E is eligible if performed by a third party subrecipient or vendor. Installation costs are not eligible for grant funds. Please refer to Section I.D of the Solicitation Manual for more information on eligible project costs.

1. For support letters, you talked about industry representatives (e.g., California League of Food Producers) as well as local community-based organizations; does this include local agencies, such as air districts, irrigation districts, city councils, etc.?
   1. Yes, support letters can be from any entity or individual that is relevant to the project.
2. The GFO states that a budget needs to be developed for all of the tasks, even the ones that are not reimbursable. Where is that presented? Because budgets are set up to show reimbursable CEC and eligible cost share, where does the overall budget get presented? Is it in the narrative?
   1. Budgets for each individual task are not required. The budget breakdown by category only pertains to eligible expenditures and match funds, and these costs must be provided in the budget document. Please refer to the budget instructions in Attachment 5.
3. Is there a max limit on support letters?
   1. No, there is no maximum limit on support letters. Please only submit support letters from entities of relevance to the project.
4. When you register online, can multiple people from your company login to your application? Is there a way to give them that access?
   1. There must be one account manager per organization, but users can be added by the account manager to assist with the application process.
5. In Attachment 2, how much detail do we have to go into to describe existing systems?
   1. The narrative needs to provide sufficient detail on the technology and the application at each of the food processing plants and how the technology impacts energy savings and GHG emissions at both the project’s equipment level and either the system level or the facility level.
6. **a.** What level of detail will we have to go into to get the grant?

**b.** Do we need to be so granular that we select the company and the exact product type, or can it be a touch vaguer in certain circumstances?

* 1. **a.** Be as specific as possible. You need to state all your assumptions. For example, if you want to do a compressor replacement but haven’t chosen the exact product yet, include the efficiency rating, costs, and as much information and specifications as you can.

**b.** During the application phase, it is not necessary to specify the company from whom you will be buying energy efficient technologies or the specific product type, but please be as accurate as you can in estimating the cost of the equipment to be purchased, as this cost will weigh into the cost-benefit criterion of the project.

1. I have multiple clients in the Central Valley that can take advantage of our drying system. Each client will have a different sized system, but the system will operate the same in each facility. Do I put all the applications under one umbrella for my company but have the separate clients sign the applications, or do I make separate applications with logins for each client? The only reason I ask is that each facility is hauling their sludge to East Bay Municipal Utility District, so the narrative will be the same for all clients, although the GHG emission reduction will vary per facility based on volume.
   1. Applications must come from individual, eligible food processing plants per Section II.A of the Solicitation Manual, and not the technology company/vendor. If the same technology is used in multiple food processing plants of different ownership, then each of these plants must submit an application. If a food processing plant has multiple sister sites that will be using the same technology, they can be bundled into one application if they are under the same ownership and meet the bundling requirements and application maximums as stated in Section II.B.3 of the Solicitation Manual. GHG emissions associated with transporting and hauling sludge cannot be counted towards the overall GHG emission reductions for the project. Transportation projects are not eligible for the FPIP solicitation.
2. Are project team resumes required for the proposal? If so, should they be a separate attachment or combined with another required element?
   1. No, project team resumes are not required but can be submitted as additional informative documents that can increase the application reviewer’s confidence in the proposed project team.
3. Are Letters of Support (as opposed to Letters of Commitment) required or recommended?
   1. Letters of Support are not required. However, match funding Letters of Commitment are required. Please refer to Section III.C.7 of the Solicitation Manual for more details.
4. The budget form instructions state that “applicants must budget for all cost not covered by the grant, such as installation…” however there is no place on the budget form to show these costs. Does the CEC mean that applicants should budget *on their own* for these costs? Where, if anywhere, should we discuss this information?
   1. Yes, the project should budget for these costs separately from the application to ensure that the project can be completed. However, the applicant does not need to include these non-eligible costs in the submitted application budget.
5. What signatures are required?
   1. Signatures are required for the following:

* Attachment 7. All commitment letters must be signed and scanned. If electronic, they must be submitted in PDF format.
* Attachment 9 – Applicant Declaration.

1. From our perspective, the match funding commitment in the letter of commitment is firm and final. The processor must complete any and all internal decision-making prior to the grant request deadline. Afterwards, the processor will not have any further opportunity to opt out of the project. Is your perspective the same?
   1. All applicants must submit a match fund commitment letter that: (1) identifies the source of funds; (2) justifies the dollar value claimed; (3) provides an unqualified (i.e., without reservation or limitation) commitment that guarantees the availability of the funds for the project; and (4) provides a strategy for replacing the funds if they are significantly lost or reduced. Failure to submit this letter will result in application rejection based on the screening criteria.

Internal decision-making and processes required to secure the match funds commitment letter are the responsibility of the applicant. If a grant is awarded and executed, it is expected that the match funds committed in the application will be available for the project. Ultimately, the recipient is responsible for the match funding. If, during the project, the match funds are significantly lost or reduced without replacement, the grant award may be terminated (mutual or at the sole discretion of the CEC).

1. The solicitation indicates bundling within same plant. If a project needs $6 million but contains multiple technologies, can it be one application?
   1. The bundling of eligible technologies in the same facility is allowed; however, the maximum funding amount is $5 million per project. In this case, you must submit distinct applications with no overlap.  For example, the proposed project is to retrofit and update an onsite wastewater treatment system along with the facility's refrigeration system, and combined, this project is estimated to cost $6 million, exceeding the maximum award amount. Therefore, the applicant may submit two distinct applications, one for the wastewater system and another for the refrigeration systems.
2. Energy and GHG savings are a critical part of the evaluation. What kind of depth is required – how complete and accurate do these need to be?
   1. Applicants will be estimating energy savings based on information about existing equipment compared with that for the proposed replacement equipment. Applicants will also need to estimate energy savings from the installed equipment at either the system level or the facility level. Please provide all assumptions used in the calculations. To determine GHG savings, use the emission factors provided in the Benefits Calculator (Attachment 8). The scoring committee will verify that the calculations are robust during application review.
3. Can I bundle multiple projects from a single facility into a single application, or do I need multiple applications for each project at that facility?
   1. You can bundle multiple projects from one facility into a single application if the total FPIP funds requested remain at or below the capped funding amount of $5 million. Please refer to question #61 for further information.
4. Are you looking for a letter from the utility saying that they’ll commit to an incentive?
   1. If utility incentives are being used as match funding, a Letter of Commitment is required from the utility that: (1) identifies the source of funds; (2) justifies the dollar value claimed; (3) provides an unqualified (i.e., without reservation or limitation) commitment that guarantees the availability of the funds for the project; and (4) provides a strategy for replacing the funds if they are significantly lost or reduced. Failure to submit letters of commitment for match equal to the minimum required will result in application rejection based on the screening criteria. Please refer to Section III.C.7 for more information on Letters of Commitment.
5. If an applicant were personally financing a project, would the applicant be able to use an “unqualified commitment” of 2 times the matching funds as a way to illustrate a strategy for replacing significantly reduced or lost matching funds?
   1. Yes, if the applicant provides the requested commitment letter (Attachment 7) indicating that they will use their own funds to cover any match funds lost or reduced.
6. Is there a page limit for applications?
   1. Section III.A of the Solicitation Manual provides page limit recommendations.

# Terms and Conditions

1. What are the terms and conditions?
   1. The terms and conditions will be included in the grant agreement. They describe the responsibilities of the grant recipient if it receives a grant award. The terms and conditions are posted at <https://www.energy.ca.gov/funding-opportunities/funding-resources>.
2. Is the public release of project information mandatory if awarded?
   1. Yes. The CEC will not accept or retain applications that identify any portion of the application as confidential. After the NOPA is published, all application documents submitted to the CEC are considered public records subject to disclosure under the Public Records Act. In addition, information on grant awards must be reported to the California Air Resources Board or the Legislature as described in Sections 28 and 29 of the FPIP Terms and Conditions.

After the solicitation process has concluded and a NOPA has been issued, a recipient or other party that needs to submit records they believe to be confidential to the CEC may apply to have those records designated as confidential. In that case, the recipient or party must provide a legal justification supporting the confidential designation and additional information as provided in Title 2 of the California Code of Regulations sections 2505 - 2510 and referenced in Section 19 of the FPIP Terms and Conditions (<https://www.energy.ca.gov/funding-opportunities/funding-resources>). However, generally, the CEC tries to limit receiving confidential information and prefers redacted or more general information.

1. https://www.energy.gov/eere/amo/measur [↑](#footnote-ref-2)