**GRANT FUNDING OPPORTUNITY**

**Non-Energy Impacts and Process Evaluation of Integrated Energy Retrofit Packages in California’s Residential Buildings**

 **EPIC Program**



**GFO-[~~24~~]23-310**

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

**State of California**

**California Energy Commission**

March 2024

##### Table of Contents

I. Introduction 2

A. Purpose of Solicitation 2

B. Key Words/Terms 5

C. Project Focus 7

D. Funding 8

E. Key Activities Schedule 9

F. Notice of Pre-Application Workshop 10

G. Questions 11

H. Applicants’ Admonishment 12

I. Additional Requirements regarding environmental review 12

J. Background 13

K. Match Funding 20

L. Funds Spent in California 22

II. Eligibility Requirements 24

A. Applicant Requirements 24

B. Project Requirements 25

III. Application Submission Instructions 27

A. Application Format, Page Limits 27

B. Method For Delivery 27

C. Application Content 28

IV. Evaluation and Award Process 33

A. Application Evaluation 33

B. Ranking, Notice of Proposed Award, and Agreement Development 33

C. Grounds to Reject an Application or Cancel an Award 34

D. Miscellaneous 35

E. Stage One: Application Screening 38

F. Stage Two: Application Scoring 40

Added language appears in **bold underline**, and deleted language appears in [~~strikethrough~~] and within square brackets.

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| **Attachments**

| Attachment Number | Title of Section |
| --- | --- |
| 1 | Executive Summary Form |
| 2 | Project Narrative Form |
| 3 | Project Team Form |
| 4 | Scope of Work Template |
| 5 | Project Schedule |
| 6 | Budget  |
| 7 | CEQA Compliance Form  |
| 8 | Past Projects Information Form |
| 9 | Commitment and Support Letters Form ***(requires signature)*** |
| 10 | Project Performance Metrics |
| 11 | Applicant Declarations ***(requires signature)*** |

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# I. Introduction

## Purpose of Solicitation

The purpose of this solicitation is to fund an applied research and development project that will support research to assess the impact of consolidated packages of electrified retrofit measures on air quality and other related impact categories, including resilience to extreme heat, indoor comfort, and energy and cost savings in California homes. This research will identify and assess non-energy benefits of home electrification and evaluate key stakeholders’ (e.g., residents, contractors) experience with the retrofitting process. Ultimately, this work will provide guidance on how these benefits could be considered in strategies and decisions to retrofit or replace gas-fueled appliances with electric.

The proposed research is intended to provide crucial support to the state’s efforts to address challenges in building decarbonization and to minimize air quality impacts to its residents. The research responds to the 2021-2025 California Energy Commission (CEC) Electric Program Investment Charge (EPIC) Investment Plan research initiative “Evaluating Air Quality, Health, and Equity in Clean Energy Solutions.”

CEC’s California Building Decarbonization Assessment report, required by Assembly Bill 3232 (Friedman, Chapter 373, Statutes of 2018) suggests that efficient electrification in California’s buildings presents the most readily achievable pathway for this sector to achieve a 40 percent reduction in greenhouse gases relative to 1990 levels by 2030 (Kenney, et al. 2021). The same report acknowledges significant challenges associated with residential building decarbonization including high upfront costs, potential for increased utility bills, limited awareness of technology options and their benefits, constraints faced by renters, and systemic inequality faced by low-income and disadvantaged communities. There are many non-market factors to consider in decisions to retrofit or replace appliances, such as the non-energy benefits of home electrification (e.g., health, comfort, and household economics) that many are not aware of. Additionally, there are many not-yet characterized potential benefits of electrification retrofits in existing homes (e.g., improved air quality). These existing homes pose challenges — as well as enormous potential benefits — related to electrification; however, they are not typically covered[[1]](#footnote-2) under the Title 24 Building Energy Efficiency Standards, which apply only to new buildings and buildings undergoing permitted upgrades.

Improvements in indoor air quality and related health outcomes are of particular importance to populations in low-income and disadvantaged communities, which are often disproportionately burdened by energy-related air pollutants. For example, in August 2023, the operating lives of three once through cooling (OTC) fossil gas power plants were extended through 2026 to provide reserve generation during power emergencies (CalMatters 2023, California Energy Commission 2023) and the emissions from OTC smokestacks can impact the outdoor and indoor air quality of residents living near those plants. In addition, wildfire-generated air pollution poses an added threat, possibly compounding already existing air quality issues in these communities.

California’s energy planning agencies are working to meet the State’s ambitious goal to have six million electric heat pumps installed by 2030 (Office of Governor Gavin Newsom 2022) and to address challenges and opportunities at the nexus of equity, electrification, and air quality through a number of programs. For example, CEC’s Equitable Building Decarbonization Program will include a Direct Install Program to provide decarbonization retrofits to low- and moderate-income households and a Statewide Incentive Program to incentivize increased adoption of low-carbon residential technologies (California Energy Commission 2023). Understanding the benefits of electrification enables easier and wider adoption of electrification retrofits, as beneficiaries can then calculate the net costs of retrofits. Building decarbonization programs can also benefit from evaluating the process of retrofitting in terms of understanding the resident behaviors and issues, as well as the challenges in availing program benefits.

Previous CEC-funded research has explored integrated retrofit packages in a variety of contexts (Fisk, et al. 2013, Wei, et al. 2024, EPC-17-048 2023). For example, Fisk et al. (2014) developed a procedure for selecting packages of retrofits in apartments that simultaneously save energy and improve indoor environmental quality, and they tested selected retrofit packages in a small sample of apartments (Fisk, et al. 2013). Fisk et al. recommended further work to improve and expand the retrofit selection procedure and the integrated assessment of retrofits in a large sample of homes. More recently, Wei et al. 2023 showed through building modeling that there is a high first cost for heating electrification (heat pumps), rooftop solar photovoltaics, and plug-in electric vehicles (PEV) (Wei, et al. 2024).Roof repair and electric upgrade costs (e.g., panels, circuits) are unaddressed challenges in under-resourced communities, and there is a lack of knowledge and experience for contractors, residents, and program administrators in upgrading homes. The study stressed the need for more demonstration and pilot projects to determine what works best for residents; understand impacts on indoor air quality and co-benefits; and develop best practices for building electrification inspection, implementation, and monitoring. Currently, CEC-funded research projects are examining the impact of individual and multiple kitchen electrification interventions on air quality and health outcomes in low-income and disadvantaged communities (Cooking Electrification and Ventilation Improvements for Children’s Asthma, EPC-21-033, LBNL) (EPC-21-033); however, a comprehensive examination of consolidated packages that include energy-related upgrades that could be packaged with, but extend beyond, kitchen electrification is yet to be undertaken.

Complementing the abovementioned modeling and field efforts, EPIC has also supported technology demonstration and deployment for retrofits. For example, the Oakland EcoBlock project is performing microgrid-backed urban block-scale retrofitting with the objective of improving resilience at the community level (EPC-18-013). In another recently completed technology demonstration and deployment effort, Narayanamurthy et al. (2024) demonstrated a pathway to scaling integrated retrofits for decarbonization using a combination of energy efficiency, electrification, and local self-generation in multifamily units but did not assess the non-energy impacts of retrofits (EPC-15-053).

To support design and implementation of residential decarbonization programs, it is important to empirically validate and build on prior modeling results to ensure that outcomes are positive for residents (e.g., vis-a-vis air quality, comfort). When retrofits are selected and implemented in homes, they have the potential to improve or degrade the indoor and outdoor air quality and indoor comfort. An important next step is to implement and evaluate installations of integrated clean energy packages, given that decarbonization programs are expected to support installation of multiple technologies and building interventions rather than single, isolated elements. In evaluating installations, there is a need to assess air quality, comfort, and heat resilience impacts of the packages, as well as to fill data gaps on the installation and operational costs, performance attributes, and residents' experiences and perceptions. Research supported by this solicitation will contribute to understanding these and other impacts of market-available electrification retrofit installations.

See Section II of this solicitation for eligibility requirements. Applications will be evaluated as described in Section IV of this solicitation. If an applicant submits multiple applications, each application must be for a distinct project (i.e., no overlap with respect to the tasks described in the Scope of Work).

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

## Key Words/Terms

| **Word/Term** | **Definition** |
| --- | --- |
| Applicant | An entity that submits an application to this solicitation. |
| Application | An applicant’s written response to this solicitation. |
| Authorized Representative | The person submitting the application who has authority to enter into an agreement with the CEC.  |
| California Native American 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 (Pub. Resources Code, § 21073). |
| 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. |
| 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 grant recipient. |
| CAO | *Commission Agreement Officer*, the person designated by the CEC to oversee the internal administrative processes and to serves as the main point of contact for solicitation applicants. |
| CBO | *Community Based Organization*, a public or private nonprofit organization of demonstrated effectiveness that: 1. Has deployed projects and/or outreach efforts within the region (e.g., air basin or county) of the proposed disadvantaged or low-income community or similar community.
2. Has an official mission and vision statements that expressly identifies serving disadvantaged and/or low-income communities.
3. 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. |
| CEC funds | *CEC funds* are EPIC grant funds awarded under this solicitation. Also referred to as grant funds. |
| CEQA | California Environmental Quality Act, California Public Resources Code Section 21000 et seq. |
| Days | *Days refers to calendar days.* |
| Disadvantaged Community | Communities designated pursuant to Health and Safety Code section 39711 as representing the top 25% scoring census tracts from CalEnviroScreen along with other areas with high amounts of pollution and low populations as identified by the California Environmental Protection Agency. (https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40) |
| Energy Equity | The fair distribution of benefits and burdens from energy production and consumption. |
| EPIC | *Electric Program Investment Charge,* the source of funding for the projects awarded under this solicitation. |
| IOU | *Investor-owned utility,* an electrical corporation as defined in California Public Utilities Code section 218. For purposes of this solicitation, it includes Pacific Gas and Electric Co., San Diego Gas and Electric Co., and Southern California Edison Co. |
| Low Income Community | Communities within census tracts with median household incomes at or below 80 percent of the statewide median income or the applicable low-income threshold listed in the state income limits updated by the Department of Housing and Community Development. (https://www.hcd.ca.gov/grants-and-funding/income-limits)  |
| Major Subrecipient  | A Subrecipient that is budgeted to receive $100,000 or more of CEC funds, not including any equipment or match funds that may be provide by the Subrecipient.  |
| NOPA | *Notice of Proposed Award,* a public notice by CEC staff that identifies proposed grant recipients. |
| OTC | This refers to the once through cooling (OTC) fossil gas power plants where power plants divert water from oceans, estuaries, lakes, or rivers to cool steam after it has passed through a turbine to create power.  |
| Pre-Commercial Technology |  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 | Small scale testing in a laboratory or testing on a small portion of the production line of the affected industry. Pilot tests help 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 | A person or entity 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 |  A person or entity receiving a grant award under this solicitation. “Recipient” may be used interchangeably with “grant recipient”. |
| Solicitation | This entire document, including all attachments, exhibits, addenda, written notices, and questions and answers (“solicitation” may be used interchangeably with “Grant Funding Opportunity” or “GFO”).  |
| Subrecipient  | A person or entity that receives grant funds directly from a grant Recipient and is entrusted 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 just selling goods or services. |
| Sub-Subrecipient | Has the same meaning as a Subrecipient except that it receives grant funds from a Subrecipient or any lower tier level of a Sub-Subrecipient. |
| State | State of California |
| Vendor | A person or entity that sells goods or services to the grant Recipient, Subrecipient, or any lower-tiered level 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. |

## Project Focus

The proposed research will use applied research to measure and delineate impacts of integrated market-available retrofits in residential buildings. The researchers may either install the retrofits as part of the project or leverage retrofits installed separately from the project. Retrofits may include mechanical ventilation improvements, insulation, electric cooking, electric water (including heat pumps) and space heating, electric vehicles, rooftop solar photovoltaic panels, and energy efficiency upgrades. Impacts of energy-related interventions (electrification and energy efficiency retrofits) will be studied in a diverse sample of households, including single and multifamily homes. This effort will target multiple policy objectives of decarbonization, equity, improved air quality and health outcomes, heat resilience, and affordability.

Research supported by the proposed solicitation aims to understand impacts of integrated packages of electrification retrofits and *must* include:

* A meaningful sample size (with a preference for larger samples) with a majority of homes in low-income and/or disadvantaged communities.
* A subset of homes in low-income and disadvantaged communities located near once-through cooling (OTC) power plants whose operations were recently extended to 2026.
* Methodology to select the equipment to include in the retrofit package(s) that will be tested.
* Identification and development of metrics that evaluate air quality and other impacts such as comfort, heat resilience, and energy costs.
* Measurement of performance of new interventions on air quality and related impacts such as comfort, energy efficiency, heat resilience, and household energy costs before and after the installations.
* Process evaluation to understand what works and does not work for residents and contractors and how programs can be improved.
* Assessment of residents' experiences and perceptions regarding the retrofitting process and its impacts, from early stages through operations.
* Research to illuminate how to scale up an integrated retrofitting approach and the associated costs, barriers, and benefits of scaling up.
* Based on the field data and observations, articulation of strategies for:
	+ reducing cost and enhancing benefits of integrated retrofit packages in homes, especially for those in low-income and/or disadvantaged communities,
	+ communicating the non-energy benefits of building decarbonization, and
	+ best practices for stakeholders (residents, contractors, policymakers) to save energy and costs and to improve the indoor conditions that affect residents’ health and comfort.

Specific research projects *may* include:

* Partnership with California’s Equitable Building Decarbonization Program (California Energy Commission 2023), e.g., to recruit sample homes.
* Development and demonstration of a framework for recruiting households, selecting integrated retrofit upgrade packages, and installing integrated packages in a manner that targets improvements in air quality, energy efficiency, and heat resilience as well as the broader goal of electrification.
* Development and demonstration of pathways for retrofit upgrade implementation (e.g., rooftop solar, electric vehicles, and heat pump) that are economical for the residents.
* Assessment of individual electrification measures and their impacts on indoor and outdoor air quality.
* Quantification of the distribution of financial and energy burdens when switching from gas to electric appliances, including but not limited to households in low-income and/or disadvantaged communities.

## Funding

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

There is **up to $3,000,000** available for grants awarded under this solicitation. The total, minimum, and maximum funding amounts for each project group are listed below.

| Project Group | Available CEC funding | Minimum CEC award  | Maximum CEC award  | Minimum match funding(% of CEC funds requested) |
| --- | --- | --- | --- | --- |
| Non-energy Impacts and Process Evaluation of Integrated Energy Retrofit Packages in California’s Residential Buildings | $3,000,000 | $2,900,000 | $3,000,000 |  5% |

1. **Match Funding Requirement**

Match funding is required in the amount of at least **5% minimum** of the requested CEC funds.

For the definition of match funding see Section I K.

1. **Change in Funding Amount**

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

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

## 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 | TIME[[2]](#footnote-3)  |
| --- | --- | --- |
| Solicitation Release | March 8, 2024 |  |
| **Pre-Application Workshop**  | **March 29, 2024** | **10:00 a.m.** |
| **Deadline for Written Questions[[3]](#footnote-4)** | **April 10, 2024** | **5:00 p.m.** |
| Anticipated Distribution of Questions and Answers  | Week of April 29, 2024 |  |
| **Support for Application Submission in ECAMS** | **[~~May 31, 2024~~] June 21, 2024** | **5:00 p.m.[[4]](#footnote-5)** |
| **Deadline to Submit Applications** | **[~~May 31, 2024~~] June 21, 2024** | **11:59 p.m.** |
| Anticipated Notice of Proposed Award Posting Date | Week of July 15, 2024 |  |
| Anticipated Energy Commission Business Meeting Date | July 31, 2024 |  |
| Anticipated Agreement Start Date | August 12, 2024 |  |
| Anticipated Agreement End Date  | March 31, 2028 |  |

## Notice of Pre-Application Workshop

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

**Date and time:** March 29, 2024 10:00 AM Pacific Time

**Zoom Instructions:**

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

**Meeting ID:** 813 8946 8102

**Meeting Password:** retrofit

**Topic:** GFO-23-310 Pre-Application Workshop

**Telephone Access Only:**

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

**Access by Mobile Device:**

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

**Technical Support** **for Pre-Application Workshop:**

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

please call Zoom Technical Support at **1-888-799-9666 ext. 2.** You may also contact the CEC’s Public Advisor’s Office at publicadvisor@energy.ca.gov, or (916) 957-7910.

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

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

* If you need a reasonable accommodation to participate, please Erica Rodriguez by e-mail at Erica.Rodriguez@energy.ca.gov or (916) 764-5705 at least five days in advance.

## Questions

During the solicitation process, for questions only related to submission of application in the new ECAMS system, please contact ECAMS.SalesforceSupport@energy.ca.gov. Through that email address applicants will be able to access a team of technical assistants who can answer questions about application submission. Please also see Section III.B for additional information about the ECAMS system.

For all other questions, including all technical and administrative questions that are not related to submission of applications in the ECAMS system, please contact the Commission Agreement Officer listed below:

Brad Worster Commission Agreement Officer

California Energy Commission

715 P, MS-1

Sacramento, California, 95814

Telephone: (916) 897-1647

E-mail: brad.worster@energy.ca.gov

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

The questions and answers will also be posted on the CEC’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 CAO 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 CEC 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 entire 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 and Scoring Criteria and** **Grounds to Reject an Application or Cancel an Award** in Part IV, and the relevant EPIC Grant terms and conditions located at: https://www.energy.ca.gov/funding-opportunities/funding-resources.

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** and property of the State after the CEC posts the Notice of Proposed Award or the solicitation is cancelled. Only submit information you want made public. **Marking any portion of your application as confidential may result in disqualification**. **No portion of your application will be considered confidential.**

## Additional Requirements regarding environmental review

* Time is of the essence. CEC funds available under this solicitation have encumbrance deadlines as early as June 30, 2025.  This means that the CEC must approve proposed awards at a business meeting (usually held monthly) prior to June 30, 2025, in order to avoid expiration of the funds.
* Environmental Review. Prior to approval and encumbrance, the CEC must comply with the California Environmental Quality Act (CEQA) and other requirements. To comply with CEQA, the CEC must have CEQA-related information from applicants and sometimes other entities, such as local governments, in a timely manner. Unfortunately, even with this information, the CEC 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 applications in a manner that minimizes the time required for the CEC to comply with CEQA and provide all CEQA-related information to the CEC in a timely manner such that the CEC is able to complete its review in time for it to meet its encumbrance deadline.
* 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 CEC’s ability to meet its encumbrance deadline may thereby be jeopardized, the CEC may cancel a proposed award and award funds to the next highest scoring applicant, regardless of the originally proposed applicant’s diligence in submitting information and materials for CEQA 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, Negative Declaration, Mitigated Negative Declaration, Environmental Impact Report, or similar document[[5]](#footnote-6) 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 completed its environmental review and adopted CEQA findings 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. Applicants are encouraged to contact potential lead and responsible agencies under CEQA as early as possible. Please plan applications accordingly.

## Background

1. **Electric Program Investment Charge (EPIC) Program**

This solicitation will award projects funded by the EPIC, an electricity ratepayer surcharge established by the California Public Utilities Commission (CPUC) in December 2011.[[6]](#footnote-7) The purpose of the EPIC program is to benefit the ratepayers of three investor-owned utilities (IOUs), including Pacific Gas and Electric Co., San Diego Gas and Electric Co., and Southern California Edison Co. The EPIC funds clean energy technology projects that meet the guiding principles of (1) improving safety, (2) increasing reliability, (3) increasing affordability, (4) improving environmental sustainability, and (5) improving equity, all as related to California's electric system.[[7]](#footnote-8) In addition to providing IOU ratepayer benefits, funded projects must lead to technological advancement and breakthroughs to overcome the barriers that prevent the achievement of the state’s statutory energy goals.[[8]](#footnote-9) The EPIC program is administered by the CEC and the IOUs.

* **Program Areas, Strategic Objectives, and Funding Initiatives**

EPIC projects must fall within the following **program areas** identified by the CPUC:

* Applied research and development;
* Technology demonstration and deployment; and
* Market facilitation.

In addition, projects must fall within one of the general focus areas (**“strategic objectives”**) identified in the CEC’s EPIC Investment Plans[[9]](#footnote-10)[[10]](#footnote-11) [[11]](#footnote-12) and within one or more specific focus areas (**“funding initiatives”**) identified in the plan. This solicitation targets the following program area, strategic objective, and funding initiative:

**Electric Program Investment Charge (EPIC) 2021-2025 Investment Plan**

* **Program Area:** Applied Research and Development
* **Strategic Objective:** Inform California's Transition to an Equitable, Zero-Carbon Energy System that is Climate-Resilient and Meets Environmental Goals
	+ **Initiative 43:** Environmental Sustainability

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

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

Laws/Regulations

* **Disadvantaged & Low-income Communities**

The CEC is committed to ensuring all Californians have an opportunity to participate in and benefit from programs and services. Projects located and benefiting disadvantaged and/or low-income communities will be considered under the scoring criteria for this solicitation.

* **Assembly Bill (AB) 32[[12]](#footnote-13) - 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 designates the California Air Resources Board (CARB) as the state agency charged with monitoring and regulating sources of GHG emissions and requires CARB to develop a Scoping Plan that describes the approach California will take to reduce GHGs. CARB must update the plan at least once every five years.

Additional information: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=200520060AB32http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb\_0001-0050/sb\_32\_bill\_20160908\_chaptered.htm;

https://ww2.arb.ca.gov/our-work/programs/ab-32-climate-change-scoping-plan

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

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

SB 32 expands on AB 32 by requiring that CARB ensure statewide GHG emissions are reduced to 40 percent below the 1990 level by no later than December 31, 2030. SB 32 further requires that these emission reductions are achieved in a manner that benefits the state’s most disadvantaged communities and is transparent and accountable to the public and the Legislature.

Additional information: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201520160SB32

Applicable Law: California Health and Safety Code § 38566.

* **Senate Bill (SB) X1-2**[[13]](#footnote-14) **- 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 precent by the end of 2013, 25 precent by the end of 2016, and 33 percent by the end of 2020, 50 percent by the end of 2026, and 60 percent by then end of 2030.

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

* **AB 758[[14]](#footnote-15), Building Efficiency**

AB 758 directs CEC to collaborate with the California Public Utilities Commission (CPUC) and stakeholders to develop a comprehensive program to achieve greater energy and water savings in existing residential and nonresidential buildings. This resulted in the Existing Buildings Energy Efficiency Action Plan, adopted in 2015 and updated in 2016 and 2019, which provided a framework for state and local governments, building industries, and other stakeholders, to increase energy efficiency in existing residential, commercial, and public buildings.

Additional information: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=200920100AB758; https://www.energy.ca.gov/programs-and-topics/programs/energy-efficiency-existing-buildings

Applicable Law: California Public Resources Code § 25943, California Public Utilities Code §§ 381.2 and 385.2

* **AB 3232 Zero-Emissions Buildings and Sources of Heat Energy**,

AB 3232 required the CEC by January 1, 2021, to evaluate the possibility of the state to reduce GHG emissions from the state’s residential and commercial building stock by at least 40 percent below 1990 levels by January 1, 2030. It also required the CEC to include in the 2021 edition of the Integrated Energy Policy Report (IEPR) and all subsequent IEPRs information on the emissions of GHGs associated with the supply of energy to residential and commercial buildings.

Additional information: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\_id=201720180AB3232

* **SB 350[[15]](#footnote-16) - Clean Energy and Pollution Reduction Act of 2015**

SB 350, among other directives, expanded on AB 758 by directing CEC to establish annual targets to achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas final end uses of retail customers by January 1, 2030. This resulted in the Senate Bill 350 Doubling of Energy Efficiency by 2030(Doubling Report), which expanded the focus of the Existing Buildings Energy Efficiency Action Plan from existing buildings to include agriculture, industry, newly constructed buildings, conservation voltage reduction, and fuel substitution. CEC subsequently consolidated the Existing Buildings Energy Efficiency Action Plan, Doubling Report, and energy efficiency equity efforts to form a comprehensive roadmap to achieving the state’s energy efficiency and building decarbonization goals in the 2019 California Energy Efficiency Action Plan.

SB 350 also requires retail sellers of electricity and local publicly owned electricity increase their procurement of eligible renewable energy resources and provided for the transformation of the Independent System Operator into a regional organization.

Additional information: <https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201520160SB350>; <https://www.energy.ca.gov/programs-and-topics/programs/energy-efficiency-existing-buildings>

* **AB 1109[[16]](#footnote-17) California Lighting Efficiency and Toxics Reduction Act,**

AB 1109 places restrictions on the manufacture and sale of certain general purpose lights (i.e., lamps, bulbs, tubes, and other electric devices that provide functional illumination for indoor and outdoor use) that contain hazardous substances. It also requires the CEC to adopt minimum energy efficiency standards for general purpose lights and to make recommendations to the Governor and Legislature regarding the continuation of reduced lighting consumption beyond 2018.

Additional Information: <https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=200720080AB1109>; https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards/online-resource-center/lighting

Applicable Law: California Health and Safety Code §§ 25210.9 et. seq., California Public Resources Code § 25402.5.4

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

SB 100 requires that 100 percent of retail sales of electricity to California end-use customers and 100 percent 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 CEC, in consultation with CARB to ensure that California’s transition to a zero-carbon electric system does not cause or contribute to GHG increases elsewhere in the western grid.

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

* **SB 1020 – Clean Energy, Jobs, and Affordability Act of 2022**

SB 1020 revises state policy to provide that eligible renewable energy resources and zero-carbon resources supply 90 percent of all retail sales of electricity to California end-use customers by December 31, 2035, 95 percent of all retail sales of electricity to California end-use customers by December 31, 2040, 100 percent of all retail sales of electricity to California end-use customers by December 31, 2045, and 100 percent of electricity procured to serve all state agencies by December 31, 2035, as specified.

Additional information: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=202120220SB1020

Applicable Law: California Health and Safety Code §§ 38561 et. Seq.

* **Appliance Efficiency Regulations**

The CEC promulgates appliance efficiency regulations that require manufacturers of various new appliances sold or offered for sale in California to test them using specified test methods. Covered appliances include refrigerators, air conditioners, heaters, plumbing fitting/fixtures, lighting, washers, dryers, cooking products, electric motors, transformers, power supplies, televisions, and battery charger systems.

Additional information: http://www.bsc.ca.gov/; http://www.energy.ca.gov/appliances/

Applicable Law: California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4, §§ 1601 et. seq.

* **California Energy Code**

The Energy Code is a component of the California Building Standards Code, and is published every three years through the collaborative efforts of state agencies including the California Building Standards Commission and the CEC. The Code ensures that new and existing buildings achieve energy efficiency and preserve outdoor and indoor environmental quality through use of the most energy ef­ficient technologies and construction.

Additional information: http://www.energy.ca.gov/title24/

Applicable Law: California Code of Regulations, Title 24, Part 6 and associated administrative regulations in Part 1

Policies/Plans

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

California Public Resources Code Section 25302 requires the CEC 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 CEC 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.

* **California’s Existing Buildings Energy Efficiency Action Plan**

The Existing Buildings Energy Efficiency Action Plan provides a 10-year roadmap to activate market forces and transform California’s existing residential, commercial, and public building stock into high performing and energy efficient buildings. The Plan provides a comprehensive framework centered on five goals, each with an objective and a series of strategies to achieve it. Each strategy includes industry and/or government implementation partners. Water related items are addressed in several of the strategies from the Existing Buildings Energy Efficiency Action Plan including but not limited to strategies 1.5, 2.2, 4.1, and 5.7 from the plan.

Additional Information:

https://www.energy.ca.gov/programs-and-topics/programs/energy-efficiency-existing-buildings

* **2019 California Energy Efficiency Action Plan**

The Energy Efficiency Action Plan expands on the Existing Buildings Energy Action Plan and includes topics related to existing buildings’ energy efficiency, low-income barriers to energy efficiency, and doubling energy efficiency by 2030. The SB 350 Doubling of Energy Efficiency by 2030 report expands beyond existing buildings to include agriculture, industry, newly constructed buildings, conservation voltage reduction, and electrification. This report combines these topics with the Existing Buildings Energy Efficiency Action Plan to create a comprehensive statewide energy efficiency action plan.

Additional information: <https://www.energy.ca.gov/programs-and-topics/programs/energy-efficiency-existing->

* **Equitable Building Decarbonization Program**

The goals of the Equitable Building Decarbonization Program are to reduce GHG emissions in homes and advance energy equity. The Direct Install Program provides decarbonization retrofits to low- and moderate-income households. The Statewide Incentive Program incentivizes the increased adoption of low-carbon technologies.

Additional information: <https://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program>

Refer to the links below for information about past CEC research projects and activities:

* http://www.energy.ca.gov/research/
* https://www.energy.ca.gov/programs-and-topics/programs/electric-program-investment-charge-epic-program
* https://www.energy.ca.gov/showcase/energize-innovation

Refer to the documents below for information about activities associated with this solicitation:

* Staff Workshop: Indoor Air Quality and Co-Benefits of Integrated Energy Retrofit Packages in California’s Residential Buildings (July 28, 2023)
	+ Staff Workshop information located here: <https://www.energy.ca.gov/event/workshop/2023-07/staff-workshop-indoor-air-quality-and-co-benefits-integrated-energy-retrofit>
	+ Docket containing public comments located here: <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=19-ERDD-01>

The documents and resources below are referred to in this solicitation manual:

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## Match Funding

* **“Match funds”** includes cash or in-kind (non-cash) contributions provided by the applicant, subrecipients, 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: CEC awards, EPIC funds received from other sources, future/contingent awards from other entities (public or private), [~~the cost or value of the project work site,~~] or the cost or value of **pre-existing equipment or materials.** [~~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 grant recipient’s possession or proposed by a 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** can be in the form of goods or services that are not reimbursed with CEC funds such as labor (if reasonable and justified), donated space, existing equipment, existing supplies, services provided by a third-party or subrecipient, and other expendable property in support of the project. The value of in-kind match is based on the fair market value of the goods and services provided at the time it is claimed as match. The value of existing equipment must be prorated for its use in the project and depreciated or amortized over the term of the project using generally accepted accounting principles (GAAP). Labor rates for hours donated by non-employees who are not paid for their time must be consistent with those paid for similar work. Cost allocations must be reasonable and allocable to the proposed project. In-kind match share must be included in the agreement budget.

The grant recipient is expected to maintain appropriate documentation to support the fair market value of all in-kind match including match donated by third parties or major subrecipients.

* Match funds must be spent only during the agreement term, either before or concurrently with CEC funds or in accordance with an approved Match Fund Spending Plan. Match funds also must be reported in invoices submitted to the CEC.
* All applications that include match funds must submit commitment letters, **including applicant, subrecipients**, sub-subrecipients, and vendors 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 Commitment and Support Letters Form Attachment. Commitment and support letters must be submitted with the application to be considered.
* Any match pledged in an application must be consistent. For example, in the ECAMS system and in the Budget Attachment applicants will be asked to enter the project’s total match funding. The amounts listed in those places should 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, the match amounts entered in the ECAMS system and in the Budget must match this amount). If the amounts listed in an application are inconsistent, 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. 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.
		- **“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 CEC funds for these purchases is not allowed.**

## Funds Spent in California

* Only CEC funds may count towards funds spent in California total.
* "Spent in California" means that:
	+ 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
	+ Business transactions (e.g., material and equipment purchases, leases, and rentals) are entered into with a business located in California.
	+ Total should include any applicable, subrecipients, sub-subrecipients, and vendors.
* 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: CEC funds will be spent on temperature sensors.  The temperature sensors are manufactured in Washington. The grant 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: CEC funds will be spent on temperature sensors. The temperature sensors are manufactured in Washington. The grant recipient orders the temperature sensors directly from Washington.  The manufacturer has training centers in CA that instructs purchasers on how to use the sensors. The invoice shows that the transaction occurred in Washington. This transaction is not eligible and cannot be counted as funds spent in CA.
1. **CEC’s Rights and Remedies**

Any process explained in this solicitation is in addition to, and does not restrict, any other rights and remedies available to the CEC.

# II. Eligibility Requirements

## Applicant Requirements

1. **Eligibility**

This solicitation is open to all public and private entities with the exception of local publicly owned electric utilities.[[17]](#footnote-18) In accordance with CPUC Decision 12-05-037, funds administered by the CEC may not be used for any purposes associated with local publicly owned electric utility activities.

1. **Terms and Conditions**

Each grant agreement resulting from this solicitation will include terms and conditions that set forth the grant recipient’s rights and responsibilities. By submitting an application in the ECAMS system, each applicant agrees to enter into an agreement with the CEC to conduct the proposed project according to the terms and conditions that correspond to its organization, without negotiation: (1) University of California and California State University terms and conditions; (2) U.S. Department of Energy terms and conditions; (3) Special Terms and Conditions for California Native American Tribes and Tribal Organizations with Sovereign Immunity in addition to the standard terms and conditions; or (4) standard terms and conditions. All terms and conditions are located at <https://www.energy.ca.gov/funding-opportunities/funding-resources>. Please refer to the applicable EPIC Grant terms and conditions. Failure to agree to the terms and conditions by taking actions such as failing to provide the required authorizations and certifications or indicating that acceptance is based on modification of the terms may result in **rejection** of the application. Applicants **must** **read** the terms and conditions carefully.The CEC reserves the right to modify the terms and conditionsprior to executing grant agreements.

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

1. A resolution or other authorizing document by the governing body of the Tribe or California Tribal Organization authorizing the Tribe or California Tribal Organization to enter into the proposed agreement, including accepting the Special Terms and Conditions for California Native American Tribes and Tribal Organizations with Sovereign Immunity.

2. A limited waiver of sovereign immunity in the form and manner required by tribal law; and

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.

1. **California Secretary of State Registration**

All corporations, limited liability companies (LLCs), limited partnerships (LPs) and limited liability partnerships (LLPs) that conduct intrastate business in California are required to be registered and in good standing with the California Secretary of State prior to its project being recommended for approval at an CEC Business Meeting.  If not currently registered with the California Secretary of State, applicants and project team members (e.g. subrecipients and even match fund partners) are encouraged to contact the Secretary of State’s Office as soon as possible to avoid potential delays in beginning the proposed project(s) (should the application be proposed for funding).  Applicants should provide the exact legal names of entities included in their applications, along with any fictitious business names. Fictitious business names must be currently valid, i.e., not expired with the Secretary of State. As part of the CEC’s due diligence, particularly during the agreement development phase, CEC staff may request the supporting documentation regarding the above registration requirements.

For more information, contact the Secretary of State’s Office via its website at www.sos.ca.gov.  Sole proprietors do not have to be registered with the California Secretary of State. However, the local government may require a business license and if using a fictitious business name, registration of the name may be required. Sole proprietors must be able to provide evidence of required licenses and/or registration with the appropriate local government, or evidence that such licenses and/or registration is not required, to the CEC prior to the project being recommended for approval at a CEC Business Meeting.

1. **Russia Sanctions**

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. Recent legal restrictions may include Russian Sanctions as described below:

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. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions.

Accordingly, should the State determine Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Recipient advance written notice of such termination, allowing Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

## Project Requirements

1. **Applied Research and Development Stage**

Projects must fall within the “applied research and development” stage, which includes activities that support pre-commercial technologies and approaches that are designed to solve specific problems in the electricity sector. Applied research and development activities include early, pilot-scale testing activities that are necessary to demonstrate the feasibility of pre-commercial technologies. By contrast, the “technology demonstration and deployment” stage involves the installation and operation of pre-commercial technologies or strategies at a scale sufficiently large and in conditions sufficiently reflective of anticipated actual operating environments to enable appraisal of the operational and performance characteristics and the financial risks.**[[18]](#footnote-19)**

1. **Ratepayer Benefits, Technological Advancements, and Breakthroughs**

California Public Resources Code Section 25711.5(a) requires EPIC-funded projects to:

* Benefit electricity ratepayers; and
* Lead to technological advancement and breakthroughs to overcome the barriers that prevent the achievement of the state’s statutory energy goals.

EPIC's mandatory guiding principle are to provide ratepayer benefits, which is defined as (1) improving safety, (2) increasing reliability, (3) increasing affordability, (4) improving environmental sustainability, and (5) improving equity, all as related to California's electric system.

Accordingly, the Project Narrative Form Attachment and the “Goals and Objectives” section of the Scope of Work Template Attachment must describe how the project will: (1) benefit California IOU ratepayers by improving safety, increasing reliability, increasing affordability, improving environmental sustainability, and improving equity, all as related to California's electric system; and (2) lead to technological advancement and breakthroughs to overcome barriers to achieving the state’s statutory energy goals. Any estimates of energy and water savings or GHG impacts must be calculated using the References for Calculating Electricity End-Use, Electricity Demand, and GHG Emissions Attachment.

1. **Knowledge Transfer Expenditures**

To maximize the impact of EPIC projects and to promote the further development and deployment of EPIC-funded technologies, a minimum of 5 percent of CEC funds requested should go towards knowledge transfer activities. Appropriate knowledge transfer activities for this solicitation are listed in the Scope of Work Template Attachment. The Budget Forms Attachment should clearly distinguish funds dedicated for knowledge transfer.

# III. Application Submission Instructions

## Application Format, Page Limits

All items listed below are required as part of the application package. Failure to provide any items may result in disqualification of the application. Attachment requirements are expanded and explained below in this section and in the attachments themselves.

|  |  |  |
| --- | --- | --- |
| **Item** | **Attachment Number**  | **Page Limitation** |
| Executive Summary | Attachment 1 | Two pages |
| Project Narrative | Attachment 2 | Twenty pages  |
| Project Team | Attachment 3 | Two pages for each resume |
| Scope of Work | Attachment 4 | Thirty pages |
| Project Schedule | Attachment 5 | Four pages |
| Budget  | Attachment 6 | None |
| CEQA Compliance Form | Attachment 7 | None |
| Past Project Information | Attachment 8 | Two pages for each project description |
| Commitment and Support Letters  | Attachment 9 | Two pages, excluding the cover page |
| Project Performance Metrics | Attachment 10 | None |
| Applicant Declaration | Attachment 11 |  |

## Method For Delivery

The only method of submitting applications to this solicitation is Energy Commission Agreement Management System (ECAMS), available at: https://ecams.energy.ca.gov.

The CEC is providing a team of technical assistants to support applicants with this new process. Please email ECAMS.SalesforceSupport@energy.ca.gov for support.

ECAMS allows applicants to complete and submit their application to the CEC prior to the date and time specified in this solicitation. Files uploaded to the system 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, such as match funding commitment letters, may be scanned and submitted in PDF format.  Completed Budget Forms, Attachment, must be in Excel format.

The deadline to submit applications through ECAMS system is 11:59 p.m. on the Deadline to Submit Applications date shown in the Key Activities Schedule. ECAMS 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.

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 ECAMS, upload times may be much longer than expected. For example, unexpected issues could occur, causing long delays that prevent timely submission. Please plan accordingly. For instructions on how to apply using the ECAMS system, please see the How to Apply document available on the CEC website at: https://www.energy.ca.gov/funding-opportunities/funding-resources, under General Funding Information, Energy Commission Agreement Management System (ECAMS).

First time users must register as a new user to access the system. There will be two types of user accounts to establish: 1) An organizational account, for the entity applying to the solicitation; and 2) user accounts for individuals who will be submitting the application on behalf of the organization.

Applicants will be required to upload all attachments marked “required” in the system in order for the application to be submitted.

## Application Content

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

1. Executive Summary Form (Attachment 1)

The Executive Summary includes: a project description; the project goals and objectives to be achieved; an explanation of how the goals and objectives will be achieved, quantified, and measured; and a description of the project tasks and overall management of the agreement.

1. Project Narrative Form (Attachment 2)

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

1. Project Team Form (Attachment 3)

Identify by name all key personnel[[19]](#footnote-20) assigned to the project, including the projects that are employed by the applicant, a subrecipient or sub-subrecipient, including the project manager and principal investigator (if applicable), and individuals employed by any major subrecipient (a major subrecipient is a subrecipient receiving $100,000 or more of Commission funds). Clearly describe their individual areas of responsibility. Include the information required for each individual, including a resume (maximum two pages).

1. Scope of Work Template (Attachments 4)

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

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

1. Project Schedule (Attachment 5)

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

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

1. Budget Forms (Attachment 6)

Because this solicitation is utilizing the new ECAMS system for submitting applications, applicants have two options for uploading a budget:

1. **Option 1: Prime Applicant’s budget is both keyed directly into ECAMS and uploaded as an MS Excel attachment; the Prime Major Subrecipient(s) budgets are uploaded as MS Excel attachments.** The new ECAMS system allows applicants to build the prime applicant’s budget directly into the system. At this time, there is no way to input major subrecipient budgets directly into the system. Instructions for inputting budget items into the ECAMS system are included at: https://www.energy.ca.gov/funding-opportunities/funding-resources.
2. **Option 2: Upload all budgets (Prime and Major Subrecipients) as MS Excel attachments** and leave the ECAMS budget sections blank.

Instructions for completing the budgets can be found in Budget Category Guidance at the ECAMS Resources page. **Read the instructions tab on the MS Excel attachments Attachment 6 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. All project expenditures (match share and reimbursable) must be made within the Anticipated Agreement Start and End dates listed in the “Key Activities Schedule” of this solicitation manual. Match share requirements are discussed in Part I.D and I.K 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 agreement terms and conditions. Rates and personnel shown must reflect the rates and personnel the applicant would include if selected as a Recipient.
3. The rates proposed, except for Direct Labor and Fringe Benefits, are considered capped and may not change during the agreement term. Except for Direct Labor and Fringe Benefits, the grant recipient will only be reimbursed for actual rates and not to exceed the capped rates. The rates proposed for Direct Labor and Fringe Benefits are treated as estimates; a grant recipient can invoice at higher rates as long as it is only invoicing for actual expenditures it has made. If an applicant, by law, cannot agree to Direct Labor and Fringe Benefits rates being treated as estimates, the applicant can request to modify this term. This modification may be negotiated if the applicant is proposed for award. The CEC retains the sole right to refuse to agree to any requested modifications. The budget must NOT include any grant recipient profit from the proposed project, either as a reimbursed item, match share, or as part of overhead or general and administrative expenses (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). Please review the terms and conditions and budget forms for additional restrictions and requirements.
4. 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 CAM.
5. 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 with CEC funds, with the exception of costs incurred by University of California grant recipients.
6. 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.
7. **Prevailing wage requirement:** Projects that receive an award of public funds from the CEC often involve construction, alteration, demolition, installation, repair or maintenance work over $1,000. For this reason, projects that receive an award of public funds from the CEC are likely to be considered public works under the California Labor Code. See Chapter 1 of Part 7 of Division 2 of the California Labor Code, commencing with Section 1720 and Title 8, California Code of Regulations, Chapter 8, Subchapter 3, commencing with Section 16000.

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

By accepting this grant, the 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, the grant recipient must either:

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

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

or,

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

1. California Environmental Quality Act (CEQA) Compliance Form (Attachment 7)

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, in the CEC’s sole discretion and without limiting any of the CEC’s other rights and remedies, result in the cancellation of a proposed award and allocation of funding elsewhere, such as to the next highest-scoring project.

1. Past Projects Information (Attachment 8)

The Past Projects Information Form asks for information about the Applicant and its major subrecipients’ past agreements with the CEC and other entities.

1. Commitment and Support Letter Form (Attachment 9)

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 from each entity that is committing to providing match funding. Each commitment letter must be signed by an authorized representative of the entity or by the individual that is making the commitment. A commitment letter must include all of the following: (1) identification of the source(s) of the funds; (2) a justification of the dollar value claimed; (3) an unqualified (i.e. without reservation or limitation) commitment that guarantees the availability of the funds for the project; and (4) a strategy for replacing the funds if they are significantly reduced or lost.

* **Project partners** that are making contributions other than match funding or a demonstration 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) unconditionally commits to making the contribution if Recipient is awarded a CEC grant.
	+ 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 a demonstration site.

1. Project Performance Metrics (Attachment 10)

The purpose of this questionnaire is to identify and document 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. The metrics should provide constructive targets for the performance of the technology or project and how the metric will be measured and evaluated, during the project and after the project is complete.

1. Applicant Declaration (Attachment 11)

This form requests the applicant make certain declarations under penalty of perjury. This form must be signed by an authorized representative of the applicant’s organization.

# IV. Evaluation and Award Process

## Application Evaluation

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

1. **Stage One: Application Screening**

The Evaluation Committee will screen applications for compliance with the Screening Criteria in **Section E** of this Part. **Applications that fail any of the screening criteria will be rejected.**

1. **Stage Two: Application Scoring**

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

* The scores for each application will be the average of the combined scores of all Evaluation Committee members.
* **A minimum score of 70.0 points** is required for criteria 1-7 to be eligible for funding. In addition, the application must receive a minimum score of **52.50 points for criteria 1−4** to be eligible for funding.

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

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

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

* CEC staff will post a **Notice of Proposed Award (NOPA)** that includes: (1) the total proposed funding amount; (2) the rank order of applicants; and (3) the amount of each proposed award. The CEC will post the NOPA on its website and will e-mail it to all entities that submitted an application. Proposed awards must be approved by the CEC at a business meeting.

**Debriefings:** Applicants that are not proposed for funding may request a debriefing after the release of the NOPA by e-mailing the CAO listed in Part I. A request for debriefing must be received **no later than 30 calendar days** after the NOPA is released.

* In addition to any of its other rights, the CEC reserves the right to:
	+ Allocate any additional funds to passing applications, in rank order;
	+ Aggregate funds from multiple groups to fully fund the highest ranked passing application(s), regardless of group. (if applicable); and
	+ Negotiate with successful applicantstomodify the project scope, schedule, project team entity that will receive the award, project location and/or level of funding.
1. **Agreements**

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

* **Agreement Development:** The Contracts, Grants, and Loans Office will send the grant recipient a grant agreement for approval and signature. The agreement will include the applicable terms and conditions and will incorporate this solicitation and the application by reference. The CEC reserves the right to modify the award documents (including the project scope, level of funding and terms and conditions) prior to executing any agreement.
* **Performance Evaluation:** An applicant receiving an award under this solicitation is subject to evaluation of performance under the resulting agreement. The CEC reserves the right to utilize the performance evaluation to screen and score future funding applications.
* **Failure to Execute an Agreement:** If the CEC is unable to successfully execute an agreement with an applicant in a timely manner, it reserves the right to cancel the pending award and use the funds elsewhere, such as to fund the next highest-ranked, eligible application.

## Grounds to Reject an Application or Cancel an Award

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

* The application contains false or intentionally misleading statements or references that do not support an attribute or condition contended by the applicant.
* The application is intended to erroneously and fallaciously mislead the State in any way.
* The application does not comply or contains caveats that conflict with the solicitation, and the variation or deviation is material.
* The applicant has 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 award 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 performance 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. If an applicant, by law, cannot agree to certain terms and conditions, the applicant can request a modification. This modification may be negotiated if the applicant is proposed for award. The CEC retains the sole right to refuse to agree to any requested modifications.

## 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 post an addendum on CEC’s website at: https://www.energy.ca.gov/funding-opportunities/solicitations. 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 recall or modify a submitted application within ECAMS before the deadline to submit applications. Applications cannot be changed after that date and time. An application cannot be “timed” to expire on a specific date. For example, a statement such as the following is non-responsive to the solicitation: “This application and the cost estimate are valid for 60 days.”.”

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** and property of the State 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 unless the applicant clarifies in writing that marking the material as confidential was a mistake and the material can be made public.**

1. **Solicitation Errors**

If an Applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation at any time prior to 5:00 p.m. of the application deadline date, the Applicant should immediately notify the CEC of the error in writing and request modification or clarification of the solicitation. 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 an applicant proposed for funding from full compliance with solicitation requirements.

1. **Tiebreakers**

If the score for two or more applications are tied, the application with a higher score in the XX criterion will be ranked higher. If still tied, an objective tie-breaker (such as a random drawing) will be utilized.

1. **Clarification Interviews**

The Evaluation Committee may conduct optional Clarification Interviews with applicants 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. **Opportunity to Cure Administrative Errors**

The CEC understands and appreciates the significant time and expense applicants spend preparing applications.  An administrative error that prevents an applicant from submitting a complete application frustrates both the CEC and applicants.  The purpose of this process is to reduce the number of applications screened out or receiving a significantly reduced score for administrative errors while maintaining a fair competition.  This process also ensures better competition and thus better projects to benefit California.

After the application deadline, an applicant might identify, or the Evaluation Committee may find what reasonably appears to be, an administrative error.  For purposes of this solicitation only, an administrative error is defined as an applicant’s inadvertent mistake that prevents materials in existence as of the application deadline from appearing in its submitted application.  Examples include, but are not limited to, accidentally:

* Scanning and submitting every other page in a document instead of every page.
* Submitting the wrong document.
* Leaving out a document.

If the Evaluation Committee find what reasonably appears to be an administrative error, they can communicate with the applicant to confirm.  If an applicant finds an administrative error in its application, it should immediately contact the Commission Agreement Officer listed in the “Contact Information/Questions” section of this solicitation.

If an administrative error has been identified and communicated to the Commission Agreement Officer, the CEC may, but is not required to, allow the applicant a period of time to provide the missing materials.  Reasons why the CEC might NOT allow an applicant to fix an administrative error include, but are not limited to:

* The funds have a deadline that does not allow time to fix the error.
* The application has been screened out or does not receive a passing score for reasons unrelated to the administrative error, making irrelevant any efforts to fix the error.
* The applicant brings the error to the CEC’s attention too late in the solicitation process (e.g., after awards have been approved at a Business Meeting).

If the Evaluation Committee allows an applicant the opportunity to fix an administrative error, the Commission Agreement Officer will communicate in writing to the applicant’s project manager listed the deadline by which the applicant must provide the missing materials.  Reasonable efforts will be made to confirm receipt of the notice, but actual notice cannot be guaranteed, and the obligation is on the applicant to ensure the proper contact(s) are listed and available to respond.  The Evaluation Committee will not consider any materials submitted after the deadline.

This process only allows applicants to submit materials in existence as of the application deadline.  This process does NOT allow applicants to submit material created or modified after the application deadline. The CEC has sole discretion to determine whether materials submitted are eligible for consideration by the Evaluation Committee under this opportunity to cure.

Applicants must include the following certification along with the materials it submits to fix an administrative error and must explain why the materials were not provided due to an inadvertent administrative error:

“I certify on behalf of the applicant that the materials provided herein existed at the time of the application deadline, have not been modified since, and were not originally provided due to an inadvertent administrative error as described herein.”

The Evaluation Committee is not responsible for finding, or communicating with the applicant about, any errors in an application.  Applicants remain solely responsible for submitting applications, including any material submitted to fix an administrative error, that meet all solicitation requirements.

## 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 by the due date and time specified in the “Key Activities Schedule” in Part I of this solicitation and is received in the required manner (e.g., no emails or faxes).
 | [ ]  Pass [ ]  Fail |

**Screening Criteria for Past Performance**

| **Screening Criteria** |  |
| --- | --- |
| **Applicant Past Performance with Energy Commission**An applicant may be disqualified under this solicitation due to severe performance issues under one or more prior or active CEC agreements. This past performance screening criterion does not apply to applicants that do not have any active or prior agreements with the CEC. The applicant—defined for the purpose of this past performance screening criterion 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 that were caused by factors that are, or should have been, within applicant’s control;
* Termination with cause;
* Demonstrated poor communication, project management, and/or inability, due to circumstances within applicant’s control, or which should have been within applicant’s control, from materially completing the project;
* Deliverables were not submitted to the CEC or were of significantly poor quality. For example, applicant delivered poorly written reports that required significant rework by staff prior to acceptance or publication; and
* Severe audit findings not resolved to CEC’s satisfaction. Severe audit findings may include but are not limited to: incomplete or unsatisfactory deliverables; grant funds used inappropriately (i.e., other than as represented); or questioned costs.
 |  |
| **Must pass to continue with Scoring Criteria** | **Pass/Fail** |

## Stage Two: Application Scoring

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

**Scoring Scale**

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

**Scoring CRITERIA**

**The Project Narrative Attachment** must respond to each criterion below. The responses must directly relate to the solicitation requirements and focus as stated in the solicitation. Any estimates of energy savings or GHG impacts should be calculated as specified in the References for Calculating Energy End-Use and GHG Emissions Attachment, to the extent that the references apply to the proposed project.

| **Scoring Criteria** | **Possible Points** |
| --- | --- |
| 1. **Technical Merit**
2. The proposed project provides a clear and concise description of the technological, scientific knowledge advancement, and/or innovation that will overcome barriers to achieving the State’s statutory energy goals.
3. Describe how the proposed model/tool/study will be used by key stakeholders (e.g. policy-makers, project developers, other researchers, etc.).
4. Describes the advantage of the proposed model/tool/study over that currently being used by key stakeholders*.*
5. Provides information described in Section I.C.
 | **15** |
| 1. **Technical Approach**
2. The application describes the technique, approach, and methods to be used in performing the work described in the Scope of Work.
3. The Scope of Work identifies goals, objectives, and deliverables, details the work to be performed, and aligns with the information presented in Project Narrative.
4. The application identifies the reliability that the project and site recommendations as described will be carried out if funds are awarded.
5. Identifies and discusses factors critical for success, in addition to risks, barriers, and limitations (e.g., loss of demonstration site, key subrecipient). Provides a plan to address them.
6. Discusses the degree to which the proposed work is technically feasible and achievable within the proposed Project Schedule and the key activities schedule in Section I.E.
7. Describes the knowledge transfer plan, including how key stakeholders and potential users will be engaged, and the plan to disseminate knowledge of the project’s results to those stakeholders and users.
8. Provides information described in Section I.C.
 | **25** |
| 1. **Impacts and Benefits for California IOU Ratepayers**
2. Explains how the proposed project will benefit California Investor-Owned Utility (IOU) ratepayers and provides clear, plausible, and justifiable (quantitative preferred) potential benefits.
3. States the timeframe, assumptions with sources, and calculations for the estimated benefits, and explains their reasonableness. Include baseline or “business as usual” over timeframe.
4. Identifies how outputs of the study will benefit key stakeholders (e.g., streamline planning, help eliminate barriers, stimulate growth of applicable market sectors).
 | **20** |
| 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. 1. Identifies credentials of applicant and any subrecipient and sub-subrecipient key personnel, including the project manager, principal investigator and technology and knowledge transfer lead *(include this information in the Project Team Form Attachment).*
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.
5. Describes the team’s history of successfully completing projects in the past 10 years including subsequent deployments and commercialization.
 | **15** |
| **Total Possible Points for criteria 1− 4****(Minimum Passing Score for criteria 1− 4 is 70% or 52.50)** | **75** |
| 1. **Budget and Cost-Effectiveness**
2. Budget forms are complete for the applicant and all subrecipients, as described in the Budget instructions.
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 subrecipients).
5. Justifies the reasonableness of indirect costs (e.g., overhead, facility charges (e.g., rent, utilities), burdens, subrecipient profit, and other like costs).
 | **10** |
| 1. **CEC Funds Spent in California**

Projects that maximize the spending of CEC funds in California will receive points as indicated in the table below (see Funds Spent in California section for more details).

|  |  |
| --- | --- |
| **Percentage of CEC funds spent in CA vs Total CEC funds requested**(derived from Budget Attachment) | **Percentage of Possible Points** |
| >60%  | 20% |
| >65%  | 30% |
| >70% | 40% |
| >75%  | 50% |
| >80% | 60% |
| >85%  | 70% |
| >90% | 80% |
| >95%  | 90% |
| >98% | 100% |

 | **10** |
| 1. **Ratio of Direct Labor to Indirect Costs**

The score for this criterion will be calculated by the following formula:$$\frac{Total Direct Labor}{Total Direct Labor + Total Fringe + Total Indirect + Total Profit}$$This ratio will then be multiplied by the maximum possible points for this criterion and rounded to two decimal places.NOTE: For the purposes of this criterion, the CEC will include the facility charges (e.g., rent, utilities, etc.), burdens and other like costs that are budgeted as direct costs into the indirect costs in the formula. | **5** |
| **Total Possible Points for Criteria 1-7****(Minimum Passing Score for Criteria 1 – 7 is 70% or 70.00 points)** | **100** |
| **Preference Points** Applications must meet all minimum passing scores (Scoring Criteria 1-4, 1-7 to be eligible for preference points. |
| 1. **Match Funds**
2. Cash match share is preferred; however, in-kind match cost share is permitted and will be considered for solicitation match requirements. Points for this criterion will be evaluated based on the proposed cash match relative to the total match (cash + in-kind) contributions using the Cash Match Scoring Table:

**Cash Match Scoring Table**

| Percentage of Proposed Cash Match Funds | Score |
| --- | --- |
| 80 to 100% | 5 |
| 60 to <80% | 4 |
| 40 to <60% | 3 |
| 20 to <40% | 2 |
| 10 to <20% | 1 |

 | **5** |
| 1. Additional points will be awarded to applications that exceed the minimum match requirements based on the percentage above minimum match using the Exceeds Minimum Match Scoring table:

**Exceeds Minimum Match Scoring Table**

| Percentage above Minimum Match (cash and in-kind) | Score |
| --- | --- |
| $\geq $ 80% | 5 |
| 60 to <80% | 4 |
| 40 to <60% | 3 |
| 20 to <40% | 2 |
| 10 to <20 % | 1 |

  | **5** |
| 1. **Disadvantaged & Low-Income Communities**

Applications proposing projects located in and benefiting low-income and/or disadvantaged communities within IOU service territories may qualify for additional preference points. In order to receive or qualify for additional points, the proposed project must demonstrate benefits to the disadvantaged and/or low-income communities by describing the following: 1. The application identifies how the target market(s) will benefit disadvantaged and/or low-income communities.
2. Identifies economic impact on low-income and disadvantaged communities including customer bill savings, job creation, partnering and contracting with micro- and small-businesses, and economic development.
3. Describes how the project will increase access to clean energy or sustainability technologies within disadvantaged and/or low-income communities and how the development will benefit the communities.
4. Applicants have letters of support from technology partners, community-based organizations, environmental justice organizations, or other partners that demonstrate their belief that the proposed project will lead to increased equity and is both feasible and commercially viable in the identified low-income and/or disadvantaged communities.
 | **5** |

1. Per Section §150.2(b)1M of 2022 Building Energy Efficiency Standards (BEES) - Altered ventilation system components or newly installed ventilation equipment serving the alteration shall comply with Section 150.0(o). Specifically, any alterations to residential range hoods trigger the need to comply with the 2022 BEES for airflow and capture efficiency metrics. However, changes to stove tops or panels in existing buildings do not always require changes to range hoods, and thus do not always trigger compliance. [↑](#footnote-ref-2)
2. Pacific Standard Time or Pacific Daylight Time, whichever is being observed. [↑](#footnote-ref-3)
3. This deadline does not apply to non-technical questions (e.g., administrative questions concerning application format requirements or attachment instructions), including questions regarding application submission in the ECAMS system or to questions that address an ambiguity, conflict, discrepancy, omission, or other error in the solicitation. Such questions may be submitted to the CAO listed in Section G at any time prior to 5:00 p.m. of the application deadline date. Please see Section G for additional information. [↑](#footnote-ref-4)
4. Please see Section I.G Questions and Section III.B Method for Delivery for more information. [↑](#footnote-ref-5)
5. This catch-all refers to other types of environmental reviews, such as those prepared under the National Environmental Policy Act (NEPA). [↑](#footnote-ref-6)
6. See CPUC “Phase 1” Decision 11-12-035, December 15, 2011, http://docs.cpuc.ca.gov/PublishedDocs/WORD\_PDF/FINAL\_DECISION/156050.PDF. [↑](#footnote-ref-7)
7. CPUC Decision 21-11-028, Appendix A https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M425/K515/425515575.PDF (revising former guiding principles within CPUC “Phase 2” Decision 12-05-037, Ordering Paragraph 2 http://docs.cpuc.ca.gov/PublishedDocs/WORD\_PDF/FINAL\_DECISION/167664.PDF.). [↑](#footnote-ref-8)
8. California Public Resources Code, Section 25711.5(a), http://www.leginfo.ca.gov/cgi-bin/displaycode?section=prc&group=25001-26000&file=25710-25712. [↑](#footnote-ref-9)
9. 2018-20 EPIC Triennial Investment Plan, https://www.energy.ca.gov/publications/2017/electric-program-investment-charge-proposed-2018-2020-triennial-investment-plan as modified and approved by CPUC decision 18-01-008, July 11, 2018, http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M206/K319/206319491.PDF. [↑](#footnote-ref-10)
10. California Energy Commission Proposed EPIC Interim Investment Plan 2021, https://efiling.energy.ca.gov/GetDocument.aspx?tn=236882 and approved by CPUC decision 21-07-006, July 15, 2021, https://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=394265545. [↑](#footnote-ref-11)
11. 2021-2025 EPIC Investment Plan, https://efiling.energy.ca.gov/GetDocument.aspx?tn=240609. [↑](#footnote-ref-12)
12. AB 32 (Statutes of 2006, chapter 488) [↑](#footnote-ref-13)
13. SBX 1-2 (Statutes of 2011, first extraordinary session, chapter 1) [↑](#footnote-ref-14)
14. AB 758 (Statutes of 2009, chapter 470) [↑](#footnote-ref-15)
15. SB 350 (Statutes of 2015, chapter 547) [↑](#footnote-ref-16)
16. AB 1109 (Statutes of 2007, chapter 534) [↑](#footnote-ref-17)
17. A local publicly owned electric utility is an entity as defined in California Public Utilities Code section 224.3. [↑](#footnote-ref-18)
18. See CPUC “Phase 2” Decision 12-05-037 at pp. 90, http://docs.cpuc.ca.gov/PublishedDocs/WORD\_PDF/FINAL\_DECISION/167664.PDF. [↑](#footnote-ref-19)
19. “Key personnel” are individuals that are critical to the project due to their experience, knowledge, and/or capabilities. [↑](#footnote-ref-20)