**Questions and Answers**

**GFO-23-310**

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

**April 30, 2024**

The following answers are based on California Energy Commission (CEC) staff’s interpretation of the questions received. It is the Applicant’s responsibility to review the purpose of the solicitation and to determine whether or not their proposed project is eligible for funding by reviewing the Eligibility Requirements within the solicitation. The CEC cannot give advice as to whether a particular project is eligible for funding, because not all proposal details are known.

Additionally, the deadline to submit applications has been extended to **June 21, 2024**. Full details are provided in the Solicitation Addendum 1.

***Administration/Process***

**Q1: Does CEC plan to fund a single $3M project?**

A1: Yes, it is anticipated that only one award of $3 million will be made for this solicitation, although per Section I.D.3 of the Solicitation Manual, “Along with any other rights and remedies available to it, the California Energy Commission (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.”

Per Section IV.B.1 of the Solicitation Manual, “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 applicants to modify the project scope, schedule, project team entity that will receive the award, location and/or level of funding.”

**Q2: The solicitation states that profit may not be a part of the submitter's cost. Does this mean that a for-profit company may not prime this?**

A2: A for-profit company may be prime **only if** they do not take profit on the grant. As stated in Section III.C.6 of the Solicitation Manual, “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.”

**Q3a: Section I. C. indicates that researchers may install retrofits or leverage retrofits installed separately from the project. Is the actual cost of the retrofit item (e.g. heat pump HVAC, heat pump water heater, solar PV, etc.) reimbursable under the grant, or is the grant only to pay for the installation?**

A3a: Yes, the actual cost of the retrofit items/equipment is reimbursable under the grant.

**Q3b:**  **Further to this, we noticed in Section I. K. there is a paragraph that indicates what does not constitute match funds. Among those items it indicates that "the cost or value of structures or other improvements affixed to the project work site permanently or for an indefinite period of time (e.g., photovoltaic systems)" is not match funding. We're concerned that some energy upgrades might not be allowed as reimbursable funds, and also not allowed as match funds. Could you offer clarity on how we should interpret these sections that are seemingly at odds with the aims of the grant?**

A3b: The cost of retrofit items/equipment is reimbursable under the grant. Addendum 1 makes edits to Section I.K. of the Solicitation Manual, revising the above-referenced text with: “Match funds do not include: CEC awards, EPIC funds received from other sources, future/contingent awards from other entities (public or private), or the cost or value of pre-existing equipment or materials.”

**Q4:** **There is an error in the Proposal Budget Template (Attachment 6) for this solicitation. The direct labor column in the Fringe Benefits tab is formatted as a percentage which causes calculation errors.**

A4: The Proposal Budget Template (Attachment 6) has been updated to address the formatting error. In the “Fringe Benefits” tab, Direct Labor Costs ($) cells C6-13 now indicate cost in dollars. These edits to the Proposal Budget Template are included in the Solicitation Addendum 1.

***Technical***

**Q5:** **Can a project consist of multiple scattered sites, or must the project only contain one site?**

A5: The project may consist of multiple sites at different geographical locations. Please see Section I.C. of the Solicitation Manual for minimum project requirements. It is up to applicant to propose and justify a credible sample design to achieve the goals of the grant funding opportunity.

**Q6: To follow up with the once-through cooling (OTC) plant locations, is there maximum mileage from the plant for the communities?**

A6: As noted in Section I.C. of the Solicitation Manual, research must include 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.” There is no specified maximum mileage for sample homes in communities near OTC power plants. However, applicants are expected to provide justification for the selection of sample homes and will be scored accordingly.

**Q7: Regarding the location of sites near OTC plants, are there more specifics about whether the location needs to be downstream or upstream?**

A7: There are no specific requirements that sites near OTC plants be located downstream or upstream of OTC plants. As noted in the response to question 5, applicants are expected to provide justification for the selection of sample homes and will be scored accordingly.

**Q8:** **Does the solicitation aim to address multiple benefits, or is it ok to focus on one objective, e.g., heat resilience?**

A8: Section I.C. of the Solicitation Manual provides minimum requirements for the proposal. As indicated, proposals must identify and develop metrics that evaluate air quality and other impacts such as comfort, heat resilience, and energy costs.

**Q9a: How is retrofit package defined? e.g., 3+ upgrades?**

A9a: The solicitation does not define the size of a retrofit package. As articulated in Section 1.C of the Solicitation Manual, applicants must include a description of the “methodology to select the equipment to include in the retrofit package(s) that will be tested.”

**Q10b:** **Do the retrofits have to achieve building electrification (or unit-level) electrification?**

A10b: No, the solicitation does not require full home or unit-level electrification. Applicants have the flexibility to choose retrofit packages that may target full or partial home electrification.

**Q11:** **Are there certain types of retrofits that you would prefer to be out of scope? For example, retrofits to a specialized building type?**

A11: There are no preferred or specific requirements for building type in the sample. It is the responsibility of the applicant to propose and justify the type(s) of buildings that will be targeted by the research. The retrofits must target building electrification. As noted in Section I.C. (Project Focus) of the Solicitation Manual, “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,” and the “impacts of energy-related interventions (electrification and energy efficiency retrofits) will be studied in a diverse sample of households, including single and multifamily homes.”

**Q12: Is the CEC planning on a similar grant funding program for public sector and/or commercial sector equitable building decarbonization?**

A12: CEC staff are not aware of similar grant funding program(s) for public and/or commercial sector research. The [Equitable Building Decarbonization (EBD) Program](https://www.energy.ca.gov/programs-and-topics/programs/equitable-building-decarbonization-program), also administered by the CEC, is a separate program from this EPIC-funded solicitation. As indicated in Section I.C. (Project Focus) of the Solicitation Manual, proposals may partner with the EBD program to recruit sample homes. The EBD program recently released a draft solicitation, available under “Related Documents” at the above link, to award three regional administrators (Recipients) with funding to implement the EBD’s Direct Install Program.

**Q13: Is there any specific guidance on what meaningful sample size means?**

A13: It is the responsibility of the applicant to propose and justify a credible approach to sampling, including sample size and geography. As noted in Section I.C. of the Solicitation Manual, “a meaningful sample size (with a preference for larger samples) with a majority of homes in low-income and/or disadvantaged communities” is required.

**Q14: Does the demonstration have to cover both single family and multifamily? Is it ok to focus demonstration on one building type while covering both in modeling/analysis?**

A14: There are no requirements in the Solicitation Manual to include both single and multifamily homes. It is the responsibility of the applicant to propose and justify the type(s) of buildings that will be targeted by the research.

**Q15: Could you please discuss your guidance on the control for the samples? That is, do we need to sample some buildings without retrofits, or is difference over time sufficient?**

A15: The solicitation does not require sampling a control set of buildings without retrofits. As indicated in Section I.C. of the Solicitation Manual, applicants must include “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.”

**Q16: Does "diverse sample" of households refer to the household size?**

A16: “Diverse sample” of households generally refers to the type of household but may include other characteristics such as household size. It is the responsibility of the applicant to propose and justify the sample of households and how they meet the goals of the solicitation.