QUESTIONS AND ANSWERS

GFO-23-402

Geothermal Grant and Loan Program

April 29, 2024

The following answers are based on California Energy Commission (CEC) staff’s interpretation of the questions received during the pre-application workshops and those submitted in writing prior to the deadline of March 29, 2024. It is the Applicant’s responsibility to review the purpose of the solicitation and to determine whether their proposed project is eligible for funding by reviewing the Eligibility Requirements within the Solicitation Manual. The CEC cannot give advice as to whether a particular project is eligible for funding, because not all application details are known.

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# General/Administrative Questions

## Deadlines

1. The Solicitation Manual, Section I.E., Key Activities Schedule, page 8, posted online at [www.energy.ca.gov](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.energy.ca.gov%2Fsolicitations%2F2024-02%2Fgfo-23-402-geothermal-grant-and-loan-program&data=05%7C02%7C%7C8351afd7208c4ebe8fb908dc29a82327%7Cac3a124413f44ef68d1bbaa27148194e%7C0%7C0%7C638431049318973609%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=m%2B4k97oaenDosNF6EASGmdMlzVv4grLMnAvX40Bc%2BGA%3D&reserved=0) states the deadline for full applications as "Expected 4th Quarter of 2024." Can you please advise a precise date for submission of the Phase Two applications?
2. CEC staff posted a [second addendum](https://www.energy.ca.gov/solicitations/2024-02/gfo-23-402-geothermal-grant-and-loan-program) on April 12 which defined the Phase Two submission deadline as January 27, 2025.

## Project Partners or Subcontractors

1. How can applicants collaborate with other entities as well as with other geothermal sites since some of the sites are already working on solutions? Is there an avenue for people to find project partners to prepare this application?
2. It is up to stakeholders to reach out to potential project partners. CEC staff has provided opportunities for stakeholders to connect with prospective partners by conducting several in-person and hybrid pre-application workshops dedicated to this solicitation. To support collaboration, CEC staff has posted all pre-application workshop attendee lists with contact information on the [solicitation webpage](https://www.energy.ca.gov/solicitations/2024-02/gfo-23-402-geothermal-grant-and-loan-program). In addition, the CEC provides the [Empower Innovation Network](https://www.empowerinnovation.net/en/custom/funding/view/41333) to serve as a platform for stakeholders to connect with potential partners. The Empower Innovation Network is a trusted place where entrepreneurs, developers, investors, local communities, and others can connect to work toward a shared vision for a clean economy. Members can directly message each other to build their networks and develop business around hundreds of funding opportunities. Staff encourages contacting the CEC Public Advisor’s Office if you would like support connecting with stakeholders in a specific region.
3. How will the CEC facilitate the process of connecting local jurisdictions' applicants with stakeholders with emerging technologies, such as enhanced geothermal systems (EGS), to develop a full application?
4. See answer A2.
5. Can you provide a list of potential developers and project operators in the lake county region?
6. See answer A2.

## Multiple Applications with Same Applicant

1. To clarify, multiple applications can be submitted by the same institution and multiple awards can be received by the same institution, but it must be in different project subsections (eligible purposes)?
2. Yes, an applicant can submit multiple applications, resulting in multiple awards received by the same applicant. However, each application submitted by the same applicant must be for a separate and distinct project (i.e., no overlap with respect to the tasks described in the Scope of Work). must address only one of the eligible purposes identified in the Solicitation Manual, Section I.C., Project Focus, page 6, and adhere to all requirements contained in this solicitation.
3. If an entity can have more than one application, can the same entity receive more than one award?
4. See answer A5.
5. If an entity can have more than one application, is that to assume that the project should not be a combination of eligible purposes (categories), and instead they should be individual projects per category?
6. Correct, eligible applicants can submit more than one application; however, each proposed application is limited to containing only one of the eligible purposes (categories) allowed by the Geothermal Grant and Loan Program, as presented in the Solicitation Manual, Section I.C., Project Focus, page 6 and per Public Resource Code (PRC), Section 3823. Therefore, an application should include one individual eligible purpose, and not a combination of eligible purposes. Please refer to answer A5 for additional information.
7. Does the applicant need to provide multiple applications for one project that will focus on multiple cities?
8. An applicant may submit one application for a project with multiple sites. The applicant can also choose to submit multiple applications (e.g. one application per each site). If the applicant chooses to submit multiple applications, please ensure the applications comply with the requirements for multiple applications described in A5. For example, if a private entity is working with multiple cities, the applicant (i.e., the private entity) can include multiple cities in its application or submit multiple applications (i.e., one application per city).

## Funding

1. If entities have received other state funding throughout the year, are there any stipulations that would make them ineligible to receive this grant?
2. An applicant that has received other state funding is still eligible to apply to the Geothermal Program. However, please note, per Section 8.h. of the Geothermal Program [[Terms and Conditions](https://www.energy.ca.gov/funding-opportunities/funding-resources),](https://www.energy.ca.gov/funding-opportunities/funding-resources) no payments will be made for project costs that have been or will be reimbursed by another entity. Additionally, some restrictions might apply if the funds received from other state funding are being proposed as match funds in this Geothermal Program application. For reference, the following is the definition of match funds found in the Solicitation Manual, Section I.J., Match Funding, page 15:

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

Lastly, CEC staff cannot assess whether a Geothermal Program award would impact an applicant’s eligibility under other programs.

1. If awarded, what is the expected timeframe of when the funds would be awarded? Is it a reimbursement structure where you must spend and provide receipts first, or is it funded just as of a certain date? For example, if a recipient is awarded $1.5 million, are disbursements spread out across the year or will they receive the $1.5 million up front?
2. This program does not advance funds. Instead, the grant recipient will submit invoices to the CEC for reimbursement of allowable project costs. For more information please read Section 8, Payment of Funds, in the Geothermal Program [Terms and Conditions](https://www.energy.ca.gov/funding-opportunities/funding-resources), under “RREDI Funding Information”
3. What long term funding is available, and what are the funding limits? For example, for a six-million-dollar project, are there loans? And is there a maximum loan amount for a project?
4. This solicitation will only issue grants. Loans are not being provided at this time. The total amount of funds available is $5.8 million, where the maximum award for per recipient in Phase One is $10,000 (technical assistance funds for local jurisdictions) and $1,500,000 for Phase Two. For more information on amount available and minimum/maximum award amounts, please see the Solicitation Manual, Section I.D., Funding, page 6.
5. Will unused funds from this solicitation be relocated to a different budget area? Is there a minimum amount of funds allocated for tribes to use in Phase One and Phase Two?
6. Any unused funds under this solicitation will be made available for future funding opportunities under the program. Similarly, unused funds from Phase One may be reallocated for Phase Two. This solicitation does not set aside a specific amount of funds for tribes.
7. A tribe does not have to match funds in anyway, correct?
8. That is correct. Per PRC Section 3807, California Native American tribes qualify as “Local Jurisdictions” and as such are not required to provide match funding for Phase One or Phase Two of this solicitation.
9. Is there funding for the full capital expenditures (CapEx) of this project after pre-development period is concluded?
10. Capital expenditures may be eligible for reimbursement. For example, equipment that is directly related to the project is an allowable project expenditure.

CEC will assess the allowability of an expenditure according to solicitation requirements and the terms and conditions of the grant agreement. In particular, note that according to Section 8.j of the Terms and Conditions, some of the factors to be considered in determining whether an individual item of cost is allowable include the i) reasonableness of the item, including necessity of the item for the work, and ii) applicable federal cost principles or acquisition regulations. The [Terms and Conditions](https://www.energy.ca.gov/funding-opportunities/funding-resources) are located under “RREDI Funding Information”.

Please also note that the solicitation contains a list of scoring criteria that includes an evaluation of the cost effectiveness of the project. It is the responsibility of the applicant to describe the competitiveness of the project and the effective allocation of funds within in their application. Please note that even if a particular capital expenditure is allowable, it and all other proposed project costs described in an application will be evaluated according to the factors shown in the Payback and Cost Effectiveness scoring criterion in the Solicitation Manual, Section IV. H, Scoring Criteria, page 40.

1. Is any of the GRDA funding eligible to go towards energy generation from the use of Geothermal?
2. This solicitation aims at funding projects focused on geothermal energy resources and/or lithium recovery from geothermal brine. To determine if your application could be eligible for funding, please check the comprehensive list of selected eligible purposes under the Solicitation Manual, Section I.C., Project Focus, page 6. For a list of reports and projects previously funded through the Geothermal Program, visit the [program website](https://www.energy.ca.gov/programs-and-topics/programs/geothermal-grant-and-loan-program/list-geothermal-projects-and-reports).
3. Are district energy projects using geothermal for heating, cooling, and hot water eligible under the solicitation?
4. Please see answer A15.

## Eligible Applicants

1. Does an individual residing in another state qualify for CEC geothermal grants or loans?
2. The solicitation does not require applicants, subcontractors, project partners, or individuals employed by any of those entities to reside in California. However, note that Native American tribe applicants must be California Native American tribes. Also note that proposed projects must be located in California.

Also note that 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](http://www.sos.ca.gov) prior to its project being recommended for approval at an CEC Business Meeting. Please refer the Solicitation Manual, Section II.C., California Secretary of State Registration, page 18.

1. Can CBOs apply to these grants or apply through a partnership? What category do community entities or non-profits fall under in this solicitation?
2. Per the Solicitation Manual, Section II.A., Eligibility, page 16, eligible applicants include local jurisdictions and private entities. Private entities are defined in Public Resources Code (PRC) Section 3809 as any individual or organization engaged in the exploration and development of geothermal energy for profit. Local jurisdiction are defined in PRC Section 3807 as any unit of Indian government, any city, county, or district, including, but not limited to, a regional planning agency and a public utility district, or any combination thereof formed for the joint exercise of any power, except that “public utility district” does not include any public utility district which generates for sale more than 50 megawatts gross of electricity. Therefore, community-based organizations (CBO) and non-profits are not eligible applicants for funding under this solicitation. However, CBOs and non-profits can collaborate with eligible applicants as a project partners or subcontractors.

# Technical Questions

## Facilities with 50 MW or Greater

1. Does the geothermal power entity need to be larger or smaller than 50MW?
2. A geothermal power facility can be any size generation nameplate capacity (megawatts). However, please note that public utility districts, as local jurisdictions, generating for sale more than 50 megawatts gross of electricity are not eligible for funding under this solicitation, but can be project partners or subcontractors.
3. Regarding the prohibition on public utility districts greater than 50 megawatts, is it meant to apply to community choice aggregations as well? And if so, is a prohibition against just being the lead applicant, or can they be a subcontractor?
4. As per the definition of “local jurisdiction” under PRC Section 3807, community choice aggregator (CCA) falls within the scope of “the joint exercise of any power.” Therefore, the 50 megawatts restriction also applies to CCAs. They are however eligible as project partners or subcontractors.

## Project Focus

1. Is the opportunity only intended for Salton Sea geothermal feature or would other California based geothermal features be considered?
2. This solicitation aims at funding projects focused on geothermal resources and/or lithium recovery from geothermal brine anywhere in California.
3. Is there a minimum temperature threshold that projects utilizing geothermal fluids must have?
4. There is no minimum temperature threshold for utilizing geothermal fluids.
5. Are advanced geothermal energy projects eligible for this solicitation?
6. Yes, advanced geothermal energy projects are eligible for this solicitation. To see if your application could be eligible for funding, please refer to the list of selected eligible purposes under the Solicitation Manual, Section I.C., Project Focus, page 6.
7. Is this solicitation limited to known geothermal resource areas within the state or open to projects throughout the state?
8. This solicitation is open to eligible projects throughout California. Please see answer A21.
9. In your solicitation and in your slides, you mention that the research should be focused on geothermal energy resources and lithium recovery from geothermal brine. Can it be either, or does it have to be combined?
10. The applications can be focused on geothermal energy resources and/or lithium recovery from geothermal brine. Proposed projects do not need to combine both resources. For the list of selected eligible purposes, please see the Solicitation Manual Section I.C., Project Focus, page 6.
11. For eligible purposes (categories) A through L, are those categories considered equally, or are specific categories weighted higher?
12. All categories listed as selected eligible purposes in the Solicitation Manual, Section I.C., Project Focus, page 6, are considered equal. Applicants may submit multiple applications, though each application must address only oneof the eight eligible purposes identified in the solicitation. If an applicant submits multiple applications, each application must be for a distinct project.
13. What types of things do staff appreciate seeing in the project narrative?
14. As indicated in the Solicitation Manual, Section III.D., Full Application Phase Two – Content, page 22, each application must include a Project Narrative that provides a detailed description of the proposed project and project activities; identifies the entity or entities that will own, operate, and conduct the proposed project; and addresses all the applicable bulleted items described in the Project Narrative Form (attachment 3). The Project Narrative should be no more than 20 pages (excluding documentation for CEQA). The required information shall be provided in sufficient detail in the Project Narrative to allow reviewers to understand your project and evaluate the application against each of the scoring criteria identified in Section IV of the solicitation. Please note, the evaluation committee is composed of three or four members, and they cannot communicate with applicants. Please refer to the Solicitation Manual, Section IV.H., Full Application Phase Two – Scoring, pages 36-41 for a comprehensive list of the scoring criteria for Phase Two, and the number of possible points of each question that the applicant will need to answer in the Project Narrative Form.
15. When you say to be clear, do you prefer there to be specific data? Lengthy explanations?
16. The evaluation committee is composed of three or four members that will review and score your application. The evaluation committee will calculate an average of their scores to provide the final score. The applicant should be objective, and concise in answering the questions in the Project Narrative Form (attachment 3) and provide all key information to explain, among other things, the demonstrated need or value of the project; the proven extent of the resource; the contribution of the project to the development of California’s geothermal energy and lithium recovery from geothermal brine; as well as the project’s likelihood of success and cost effectiveness. Please refer to Solicitation Manual, Section IV. H., Full Application Phase Two – Scoring, pages 36-41, for a comprehensive list of the scoring criteria for Phase Two, and the number of possible points that can be granted by the reviewers for each question and that the applicant will need to answer in the Project Narrative Form
17. Can you explain eligible purpose L included in the Project Focus section of the solicitation, which says “In furtherance of the state zero-emission vehicle objectives?” In the city of Imperial, we have a project to expand our electric vehicle grid. Applying for this grant could help us further that expansion.
18. Applications under this solicitation must focus on the geothermal development and/or lithium recovery from geothermal brine. Applicants should be able to demonstrate a correlation of any of the eligible purposes with geothermal development and/or lithium recovery in their application. Eligible purpose L focuses on projects that help advance the readiness of the sector related to the recovery of minerals, such as lithium from geothermal brine. Please see Solicitation Manual Section I.C., Project Focus, page 6 for full list of selected eligible purposes. See [examples of projects funded](https://www.energy.ca.gov/programs-and-topics/programs/geothermal-grant-and-loan-program/list-geothermal-projects-and-reports) by the Geothermal Program.
19. In the PowerPoint slides indicating the list of the eight selected eligible purposes (criteria), why do some contain an asterisk?
20. Pursuant to the California Code of Regulations (CCR) Section 1665 (a)(10), resource development projects that will directly result in revenue or energy savings must include a Feasibility Study (attachment 12). As a result, eligible purposes A, I, and L, as specified in the Solicitation Manual, Section I.C., Project Focus, page 6, and identified with an asterisk in the [PowerPoint presentation](https://www.energy.ca.gov/sites/default/files/2024-03/GFO-23-402_Pre-Application_Workshop_Presentation_Sacramento_ada.pdf), slide 9, may be required to submit a Feasibility Study if the project will result in revenue or energy savings. Please refer to CCR Section 1665 or Solicitation Manual, Section III.D., 12. Feasibility Study (Attachment 12), pages 25-26 for a detailed list of information to be included in a feasibility study.
21. The Feasibility Study applies to projects focused on resource development directly resulting in revenue or energy savings. Does that mean a thermal energy network can get funded if it shows significant energy savings? Typically, 40-80% in savings is seen when incorporating shallow geothermal bore holes in conjunction with highly efficient ground source heat pumps. Does this method qualify?
22. The projects under this solicitation must relate to activities focused on geothermal energy resources and/or lithium recovery from geothermal brine. If the selected eligible purpose is a resource development study that will directly result in revenue or energy savings, the applicant will need to also submit a Feasibility Study (attachment 12). Please see the list of selected eligible purposes under the Solicitation Manual, Section, I.C., Project Focus, page 6 and Solicitation Manual, Section III.D.,12. Feasibility Study (Attachment 12), pages 25-26 for a detailed list of information to be included in a feasibility study.
23. Is the solicitation aimed at geothermal energy independent of any kind of mineral recovery from geothermal brine in this solicitation, or is it more geared toward only lithium recovery from geothermal?
24. This solicitation is available for geothermal alone, without elements of lithium recovery from geothermal brine. It also could apply to geothermal when it relates to lithium recovery from geothermal brine.
25. Can a California Native American tribe use traditional bore field geothermal techniques to thermally transfer heat from the ground into a ground source heat pump to provide heating, cooling, and hot water? Do these funds support this type of application?
26. Yes, provided the projects relate to activities focused on geothermal energy resources and/or lithium recovery from geothermal brine within California. Please see the list of selected eligible purposes under the Solicitation Manual, Section, I.C., Project Focus, page 6.

# Uncategorized Questions

1. Could geothermal royalty and opportunities come directly to tribes, specifically tribes from the Bay area and from Berryessa to the coast? Maybe that's a bigger question than you, but I will pose it to the CEC since I have an opportunity to do that here.
2. This question is broader than the scope of this solicitation. Staff encourages you to contact the [CEC Public Advisors Office](https://www.energy.ca.gov/about/divisions-and-offices/office-public-advisor) to obtain more information about the role of the CEC on geothermal royalties. Additionally, please feel free to direct this question to your local legislature office.
3. Would the CEC be purchasing the lithium extracted from geothermal brine using Geothermal techniques? Is that under a Power Purchase Agreement (PPA) type structure?
4. No. The purpose of this solicitation is to award grants to local jurisdictions and private entities to fund projects focused on geothermal energy and lithium recovery from geothermal brine that support and advance the geothermal sector and related activities in California, per PRC Sections 3800-3827 and CCR Sections 1660-1665. This solicitation does not aim at purchasing the lithium extracted from geothermal brine, nor implementing a PPA type structure. The list of selected eligible purposes for projects under this solicitation can be found under the Solicitation Manual, Section I.C., Project Focus, page 6.