**Questions and Answers Document**

# **Disclaimer**

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 Solicitation Manual and to determine whether their proposed project is eligible for funding by reviewing the Eligibility Requirements within the solicitation. The CEC cannot give definitive advice as to whether a particular project is eligible for funding, because not all proposal details are known.

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# **General/Administrative**

1. The solicitation states that the Notice of Proposed Awards (NOPA) release is July 2024. Is there an exact date set like July 3, 2024? How much time after NOPA are the grant award funds released; is there an exact date?

**CEC:** The NOPA release date is a general target, not an exact date, and will vary depending on how many applications are received and the complexity of scoring. Your second question regarding the timing for the release of funding is a bit more complex. Once the scoring is completed and the NOPA is posted, the CEC will assign a Commission Agreement Manager and the agreement will go into a development phase. This process can take several weeks. A CEC attorney will review the agreement details and the agreement will be scheduled for a future Business Meeting where the agreement will be formally approved by the CEC. After business meeting approval, the final agreement is routed to the Recipient for review and signature. Once the Recipient signs, the CEC will sign, and at this point an executed agreement will be in place and the Recipient may begin incurring expenses under the agreement. The agreement funds are typically paid in arrears – the recipient will invoice for expenses they have incurred – usually on a monthly or quarterly basis.

1. I want to update processing equipment at an existing food production facility with lower greenhouse gas (GHG) emitting equipment and also add grid resiliency solar/battery at the facility using the Deployment of Decarbonization Technologies & Strategies Grant. I don't currently own the facility. I have to buy the existing equipment/facility in order to make these changes. If the total cost to achieve this is within the grant award limit, is this permitted? I think the funds I'm asking about fall within the Solicitation pg. 14 Section L Funds Spent in California, subsection (2) Business Transactions of the solicitation, correct? I have a 2nd CA grant I am applying for that relates to the same project, the application submission deadline is next week, May 9th, and I won't have my answer until May 15th, I'm having to proceed forward with a level of uncertainty. Assuming I am permitted to purchase the facility, the cost is in the millions of dollars. Would this cost be reimbursed (meaning I have to get a loan first and wait for reimbursement weeks later) or will grant funds be paid directly to the seller for such a high price item?

**CEC:** Costs incurred before the start of the agreement are not allowable costs under the grant and would not be reimbursed. CEC disburses grant funds in arrears after receiving invoices for costs incurred within the agreement term. The cost of purchasing a facility is not eligible for reimbursement using INDIGO funds.

1. Is the match % calculated as a % of total project costs, or as a % compared to what is received from the grant?

**CEC:** The required match contribution percentage is calculated as a percentage of the funds you request from CEC. If you request $100,000, you must contribute 25% of that, or $25,000, as cash in hand, in-kind match funds, or some combination of these. Please see section I.K. of the solicitation manual for a full description of match funding.

1. What does begin work mean? Is Purchase Order (PO) cut OK? Some long lead time items require POs early.

**CEC:** The start of work or start of the grant agreement is after the proposed project has been approved at a CEC business meeting and after the recipient and CEC have signed the final agreement. Budgeted costs incurred after the start of work may be invoiced to the CEC.

1. If a company has multiple plants throughout California, can they submit separate applications for each plant?

**CEC:** Applicants may submit separate applications for each plant they own and may also submit an application that groups multiple plants under one proposed project.

1. Will match funding be produced before the award of the project or after the award of the project?

**CEC:** Match funding must be available at the start of the agreement term.

1. Please explain the difference between a sub-recipient and a vendor in terms of budget development requirements.

**CEC:** A Subrecipient is a person or entity (e.g., a subcontractor) 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 selling goods or services. Subrecipients receiving $100,000 or more of CEC funds must provide completed budget forms (Attachment 5) with the application.

A Vendor is 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. Vendors do not need to provide completed budget forms with the application.

1. Does this solicitation accept confidential information? If I need to provide the facility process or schematic, I do not want my competitor to see.

**CEC:** Marking any portion of your application as confidential may result in disqualification. All submitted application documents will become publicly available documents. If selected as an awardee, the applicant should identify any information it deems confidential for discussion during agreement development. Details regarding confidential information under an INDIGO agreement can be found in the INDIGO Grant Terms and Conditions: <https://www.energy.ca.gov/media/9625>

1. Is a budget breakout required for a vendor?

**CEC:** A budget breakout is not required for a Vendor.

1. We are writing to clarify that the terms and conditions of CEC GFO 23-313 allow the University of California to participate with its existing agreement.

**CEC:** Any applicant who wishes to enter into an agreement for GFO-23-313 grant funding must accept the INDIGO Grant Terms and Conditions: <https://www.energy.ca.gov/media/9625.> We will not negotiate special terms and conditions for University of California, National Labs, or any other entity.

1. Upon reading the GFO, we noticed that Section I.D, subsections 2 and 3 outline what types of project costs are reimbursable, and which should be covered by cost share. Subsection 3 indicates that Indirect Costs need to be covered by Cost Share. Subsection 2 indicates that subrecipient costs for specified activities are reimbursable. Would you be able to clarify whether or not subrecipient Indirect Costs would be reimbursable under the grant?

**CEC:** Subrecipient indirect costs may be covered by INDIGO funding if the Subrecipient is directly engaged in installation, engineering design, measurement and verification, and/or community engagement activities.

# **Technical**

**Eligibility**

1. Is technology at technology readiness level (TRL) 8 only eligible for the solicitation?

**CEC:** Eligible technologies for this solicitation must be *at least* TRL 8 and fit the definition of cutting-edge, emerging technologies provided in section I.B. of the solicitation manual: technologies that may not be widely deployed in California or the United States but have been proven commercially and/or in an industrially relevant environment and have documented technology and economic performance and emissions data for at least one year of operation.

1. Would a project be eligible that replaces conventional cogen at a biorefinery with a technology that provides the plant’s heat/electricity needs while readily capturing and geologically storing its carbon dioxide (CO2) emissions?

**CEC:** Biorefineries are chemical feedstock manufacturers and are eligible under this solicitation. Replacing conventional combined heat and power generation may be eligible if replacing fossil gas with clean, renewable electricity. Carbon capture and geologic storage are not eligible technologies for INDIGO funding under this solicitation.

1. Are food processing facilities considered industrial facilities? What about dairy farms?

**CEC:** Food processing plants are considered industrial facilities and are eligible for INDIGO funding. Dairy farms are not considered industrial facilities.

1. Can an equipment vendor be the prime of the application, or does the owner of the facility have to be?

**CEC:** Yes, an equipment vendor may be the prime of the application.

1. If a company is already planning an electrification project, can this funding be used to install renewable electricity to support the project and remove load from the grid? Or does this money have to support the primary electrification project?

**CEC:** Applicants to INDIGO funds may only receive funding for a renewable generation project if it is in addition to an electrification project. If you are not submitting an electrification project for this GFO, you are not eligible for INDIGO funds to cover costs of deploying onsite renewable generation.

1. We noticed that the California Air Resources Board (CARB) INDIGO calculator has a hidden refrigerant replacement tab. Are ultra-low-GWP refrigerant conversions eligible?

**CEC:** Ultra-low-GWP refrigerant conversions are not eligible technologies under INDIGO. CARB facilitates quantification of project benefits for multiple projects funded by California Climate Investments, including CEC’s INDIGO and Food Production Investment Program (FPIP), which is why the quantification tool may contain FPIP-specific tabs such as refrigerant replacement.

1. Can a non-profit R&D organization bid as a Prime applicant? Or, as a sub?

**CEC:** Yes, non-profit R&D organizations may bid as either a prime applicant or major subrecipient.

1. Are onsite clean generation technologies that use RPS-eligible fuels (e.g. biogas) to generate electricity (e.g., linear generators) eligible to participate in this GFO under the load flexibility project category?

**CEC:** Use of RPS-eligible fuels to generate electricity using linear generators may be eligible under the current GFO, with sufficient justification that the RPS-eligible fuel will provide both GHG and criteria air pollutant emissions reductions. Funding for onsite electricity generation under the load flexibility category would be eligible only if it is part of larger project that focuses on electrification of an industrial process/facility.

1. Are electrification projects that use fuel cells powered with clean hydrogen eligible?

**CEC:** Yes, using clean hydrogen to support an electrification project may be eligible if your hydrogen is from a renewable source and is not adding GHG emissions and/or criteria air pollutants per lifecycle analysis.

1. What are eligible projects (e.g., energy efficient limit requirements? Quality improvement projects?)?

**CEC:** Please see section II.B.2 of the solicitation manual for a list of eligible technologies and projects, which includes brief descriptions of listed project types.

1. Is waste heat to power eligible?

**CEC:** Waste heat to power projects are not eligible under the current GFO, unless the source of waste heat is not from fossil fuel-fired equipment and will remain available even with 100% electrification of the facility in the future.

1. Are electrified bus fleets and the corresponding grid updates eligible?

**CEC:** Bus fleet electrification and its corresponding grid upgrades are not eligible for INDIGO funds, as this solicitation focuses on industrial decarbonization.

1. Could a technology that decarbonizes the feedstock (e.g., for chemicals production) be eligible? Or are the eligible technologies focused on process decarb?

**CEC:** Yes, decarbonizing the feedstock for chemicals production may be eligible under the Alternative Processes category. Alternative material and feedstock approaches that are eligible include: switching from raw materials that release GHG emissions upon processing to alternative feedstocks; and replacing materials to reduce temperature requirements of processing and enable electrification and reduction of GHG emissions in a given industrial process.

1. Is an efficiency improvement that reduces gas and electricity use eligible? Example is a preheating glass batch and cullet using waste heat.

**CEC:** Gas efficiency projects are not eligible if they will continue to be dependent on fossil fuels. Preheating using waste heat may be eligible if the source of waste heat is not from fossil fuel-fired equipment and will remain available even with 100% electrification of the facility in the future.

1. Would projects to replace gas-fired boilers with industrial heat batteries powered by renewable electricity be eligible?

**CEC:** Yes, replacing fossil gas boilers with renewably powered electric alternatives is eligible.

1. Would a project be eligible that deploys mechanical vapor recompression that reduces fossil gas consumption at a bio refining facility (ethanol)? This project would significantly decrease boiler gas usage but increase electric usage that then can be offset with solar or other renewable generation in the future.

**CEC:** Mechanical vapor recompression as a gas efficiency approach is not eligible, unless there are plans to eventually convert a gas energy source to renewable power. If the primary energy source producing the waste heat is renewable, the project may be eligible.

1. Do technologies have to be proven in California or can they be proven in other states?

**CEC:** Technologies do not need to be previously proven within California or the United States. Technologies proven in other states or other countries may be eligible.

1. Would installation of a new steam condensate return system be allowed as maximizing GHG reduction or energy efficiency? In regard to steam condensate return system, it would be a new system. There is no previous system. Also, in the event that we transition to 100% removal of fossil gas, this condensate return system would still be usable and operable with new electric equipment.

**CEC:** Yes, this project may be eligible for INDIGO if the condensate return system is eliminating gas use for an industrial process. Gas efficiency efforts developed with the intent for future electrification of the primary energy source may be eligible.

1. Under the technology category of load flexibility, would battery energy storage systems (BESS) be an eligible technology to reduce electrical demand during neat peak periods?

**CEC:** Battery storage may be eligible for funding only if it is part of a larger project that focuses on electrification of an industrial process/facility.

1. Are colleges/universities eligible to bid for this GFO?

**CEC:** Colleges/universities may be eligible applicants to this GFO as long as they accept the INDIGO Terms and Conditions: <https://www.energy.ca.gov/media/9625.>

1. Is an industrial food refrigeration facility eligible to participate? For load shed/shift?

**CEC:** Yes, industrial food refrigeration facilities may be eligible to participate in the INDIGO program for load shed/shift if project requirements are satisfied.

1. One of the eligibility requirements is 1 year of operational data. Does this have to be continuous operation, or would pilot-scale deployment with non-continuous operation be eligible?

**CEC:** Continuous operational data for 1 year of a cutting-edge, emerging technology is preferred, because we would like the data to reflect stability in operation throughout seasonal changes (e.g., varied temperatures). If non-continuous pilot-scale operation can still show durability over seasonal changes, the technology may be eligible. This requirement for operational data is not the same as the solicitation’s pre- and post-installation measurement and verification requirements, where continuous operation is required; see Section II.B.3 of the solicitation manual.

1. To clarify, is a project ineligible if we are proposing to continue using fossil gas, even at a greatly reduced rate?

**CEC:** Reducing gas use by using alternative approaches such as those described in Section II.B. of the solicitation manual, even if fossil gas use is not fully eliminated from a facility, is eligible. Energy efficiency projects are ineligible if dependent on continued fossil fuel use and will be redundant when the facility converts to electrified processes. Energy efficiency projects that can work with both fossil fuel and electrification processes are eligible.

1. The point of electrifying process heat is to reduce fossil gas use to reduce emissions. Please explain your earlier comment that gas reduction is ineligible.

**CEC:** Projects that partially or fully electrify industrial processes are eligible.Please see the answer to Q34.

1. Did I hear you correctly that any project that includes a reduction of fossil gas (as well as a reduction of electricity) is not eligible?

**CEC:** Please see answers to Q22, Q25, Q34, and Q35 above.

1. Would non-fossil fuel refineries using feedstock like tallow or corn be eligible for this grant?

**CEC:** Biorefineries are chemical feedstock manufacturers and are eligible for INDIGO funds. The project eligibility will depend on satisfaction of the requirements listed in the solicitation manual Section II.B.

1. Are projects located in non-IOU service territories in California eligible?

**CEC:** Yes, projects outside of investor-owned utility (IOU) service territories are eligible for INDIGO funding.

1. Is a solar thermal system hybridized with electrification an eligible system for process heat?

**CEC:** Yes, this may be eligible for INDIGO funds if the resulting renewable energy will be providing process heat or other electrical needs in an industrial facility.

1. Per the table in Section B.2-Does a solar photovoltaic (PV) system with battery that optimizes time of use qualify? Or does the project also have to be a part of a larger electrification of equipment/processes project?

**CEC:** To access funding for renewable generation (PV + batteries), the project must be part of a larger industrial decarbonization/electrification effort.

1. Would a solar PV project using cutting-edge technology (i.e., floating solar) but that does not use battery energy storage and does not have industrial electrification qualify?

**CEC:** A solar PV system of any kind may only receive INDIGO funding if it is part of a larger industrial decarbonization/electrification project.

1. Would a renewable energy generation project that reduces the overall electric demand of the facility qualify as Net Peak Demand reduction under this solicitation's eligibility requirements?

**CEC:** INDIGO will provide funding for onsite renewable energy generation only if the effort it is a part of a larger project that focuses on decarbonization/electrification of an industrial process/facility.

1. Is point source carbon capture at an industrial facility (not an oil and gas processing and transport facility) an eligible technology in this GFO?

**CEC:** No, carbon capture is not an eligible technology in this GFO.

1. Consider a California-based ethanol production plant that makes ethanol fuel through fermenting corn grain, and which has a small, on-site, cogeneration plant to supply the heat and electricity needs of the plant. Suppose that the fuel source for this cogeneration plant is natural gas, and that its CO2 emissions are vented. The carbon footprint of the cogeneration plant itself and of the entire ethanol production facility could be reduced by replacing the existing cogeneration plant with an advanced oxyfuel combustion facility that supplies the same heat and electricity needs but that produces a high-purity CO2 stream that could readily be captured. If the ethanol plant operator had access to a geologic storage site that is currently in permitting proceedings with USEPA, and if there was a feasible means of transporting the captured CO2 from the ethanol plant to the geologic storage site, would the replacement of the existing cogeneration unit with the advanced oxyfuel combustion system be eligible for funding under GFO-23-313? Would this eligibility change depending on whether the oxyfuel combustion plant could achieve lower criteria-pollutant emissions than the existing cogeneration plant?

**CEC:** No, replacing conventional combustion with oxyfuel combustion of fossil gas and carbon capture and storage is not eligible for INDIGO funding.

1. The California Prune Board has identified natural gas cost and availability as a major industry risk into the future, particularly as it pertains to our tunnel dryers, which are essential to 100% of our production (40% of the total global supply) and are a major factor in our quality price premium in the global market. In our latest call for proposals, we sought out researchers to these ends and are working in 2024 with 2 UC Davis faculty on a funded project. In reviewing opportunities to expand this work with grant funding I came across GFO-23-313. Our struggle with DOE and CEC grant opportunities in this space thus far has been most are geared towards existing technologies that can be replaced, using cost-sharing to bring down the Return on Investment. These programs are great (and our handlers do use them for other areas of energy savings) but do not address needs which exist that don't have current drop-in replacement tech ready at this point (i.e., still need more research). I think the same constraint will apply here. Please correct me if I am wrong, and if possible, point me towards potential CEC opportunities for strictly research (or someone who can do the same).

**CEC:** Please check the Solicitations section of the CEC website at <https://www.energy.ca.gov/funding-opportunities/solicitations> for the information on GFOs that target lower TRL levels. Please make sure to get on our subscription list (Research and Development topics) at <https://www.energy.ca.gov/subscriptions>. This GFO will fund technology that is at least TRL 8 and ready to be demonstrated in an industrial facility.

1. Could let me know if the following technology would qualify under the Alternative Processes as specified in Table B.2 from the solicitation GFO-23-313: Conversion of residual biomass to clean fuel using thermolysis to produce clean syngas with added gasification of biochar to produce additional clean syngas. The use case could be a facility that would use the in-situ produced clean syngas from waste products to supplement the commonly used energy sources for that facility.

**CEC:** The project may be eligible for INDIGO funding if satisfactory justification and data potential to reduce GHG and criteria air pollutant emissions in priority populations is provided. It is unclear if the project described would rely on fossil gas combustion; if so, it would not be eligible.

1. I’d like to suggest that anaerobic digestion of on-site wastewater to generate electricity for on-site use be an eligible technology for GFO 23-313. Doing so would:

* electrify all industrial processes: electricity generated on site would replace fossil gas usage
* maximize GHG emissions reductions: not only by eliminating fossil gas consumption and electric supply from the grid; it would also capture methane emissions from wastewater lagoons
* drive scalability and application of project tech to other facilities: this project would prove that wastewater alone is viable for digestion; not only co-digestion with cow manure
* Reduce electrical demand during net peak hours: biogas stored overnight during low-demand hours would be used during peak demand hours to eliminate electricity from the grid
* Provide air pollution benefits to priority populations: eliminating trucking to dispose of sludge would eliminate diesel exhaust. Capturing methane from lagoons would eliminate that pollutant; the project we have in mind is located in a priority population
* TRL 8 or higher: anaerobic digester (AD) tech is installed at dairy farms & waste facilities already; this would be a new application in an industrial setting
* There is plenty of data available from 2 CEC-funded AD projects: Fiscalini Farms & North State Rendering

**CEC:** Electricity generated from biogas may be eligible under INDIGO program if satisfactory justification and data of potential to reduce GHG and criteria air pollutant emissions in priority populations is provided.

**General**

1. We do not have an existing facility in California but are a registered California company. We are planning to build a low carbon cement facility in Los Angeles. Would this project be eligible for INDIGO funding?

**CEC:** INDIGO funds are restricted to existing California industrial facilities. See Section II.A.1, Eligibility.

1. Can equipment be owned and maintained by a third party that is not the owner of the facility? It would be preferred to allow more innovative partnerships.

**CEC:** Yes, equipment may be owned by a third party that does not own the facility. Section II.A.1, Eligibility.

1. Can funds be allocated for community engagement/tech & knowledge transfer activities related to the project?

**CEC:** Yes, INDIGO funds may be used for reasonable community engagement and technology/knowledge transfer expenses, insofar as such activities further the goal of the actual project, i.e., the decarbonization of an industrial facility and meeting solicitation requirements. However, care must be taken not to make a gift of public funds.

1. In the instance when INDIGO funding is requested for a portion of a larger project, are proof of California Environmental Quality Act (CEQA) and land acquisition for the larger project required? For example, INDIGO funding might be requested for the energy storage component that will be fed by a larger renewable generation project. Is the proof of CEQA and land acquisition for the larger renewable generation project required as part of INDIGO submission?

**CEC:** Yes, please provide any CEQA documentation related to your proposed project.

1. The GFO says direct labor for installation is eligible. Elsewhere, it says equipment installation costs are ineligible. Please clarify.

**CEC:** Direct labor for installation is an eligible cost for INDIGO funds. The funding requirements state that INDIGO funds must be budgeted so that at least 50% of requested funds are spent on just the cost of equipment and materials excluding the cost of installation, and the remaining 50% may be spent on Direct labor, fringe benefits, and subrecipients/vendors that are directly related to installation, engineering and design, measurement and verification (M&V), and community engagement.

1. When are projects expected to be completed? Equipment delivery time is very long now as the standard.

**CEC:** Per the Key Activities Schedule (Section I.E. of solicitation manual), we anticipate projects to be complete no later than June 30, 2028.

1. How does this differ from GFO-22-301? May applicants seek funding for same project under each GFO?

**CEC:** GFO-23-301 focuses on pre-commercial technology research and development, whereas GFO-23-313 focuses on deployment of decarbonization strategies in an industrial setting at a higher TRL. Applicants to CEC grant funding opportunities will not receive funding from two different CEC funding source for the same project activities.

1. Could two separate technologies in two separate processes in the same system be used in a project with combined impact of CO2 reduction, or should a project focus on only one technology?

**CEC:** Yes, you may submit a proposal wherein two elements of the same system are being developed for their combined impact on CO2 reduction as long as both are eligible and you are able to attribute GHG and criteria air pollutant emissions reduction and energy efficiency gains to each of proposed technologies.

1. Can projects located in disadvantaged community (DAC) areas get follow-on/additional funding for unforeseen barriers that may happen?

**CEC:** We cannot provide additional funding after an award has been made. All proposed budgets must include only eligible costs as outlined in Section I.D.2.

1. Can projects located in DAC areas get a lower match funding requirement? If project is on native land, can the match requirement be eliminated?

**CEC:** All applicants must meet the 25% match funding requirement. In this solicitation, industries and their project partners will lead the grant agreements and should have sufficient resources to cover the required match. In terms of application scoring, this solicitation does not provide bonus points for projects with match in excess of the requirement, nor does it provide bonus points for providing cash over in-kind. We expect this could reduce the barrier that match funding requirements may pose for certain applicants. If funds remain for a second round, we may consider further amendments to the solicitation manual regarding match funding if necessary.

1. If projects are located in DAC areas, can technical support needs for application be eligible for funding?

**CEC:** Costs incurred before an agreement is executed are not eligible for reimbursement under this GFO.

1. Is INDIGO open to creating a solicitation that will provide more funding support to project located in DAC areas?

**CEC:** INDIGO is a California Climate Investments (CCI) funded program. CCI programs have statutory requirements according to AB 1550 to ensure that projects in and benefiting disadvantaged communities and low-income communities (also referred to as priority populations) include the following requirements:

* + A minimum of 25% of the proceeds to be invested in projects located within and benefitting individuals living in disadvantaged communities;
  + Additional minimum of 5% be invested in projects located within and benefitting individuals living in low-income communities or benefitting low-income communities statewide; and
  + An additional minimum of 5% be invested in projects that are located within and benefitting individuals living in low-income communities, or benefitting low-income households that are within one-half mile of a disadvantaged community.

In GFO-23-313, we allocate 15 out of the 70 points required to receive a passing score for proposals providing benefits to priority populations (see solicitation manual sections II.B.5 and IV.F. scoring criteria 6). We believe this will favor projects located in and benefitting disadvantaged communities and expect that most INDIGO funds will go to projects in these areas if they have community support.

1. Are embodied GHG emissions accounted for within Project Benefits/Impacts evaluation? I do not see embodied emissions accounted for within CARB Calculator.

**CEC:** Embodied emissions are not accounted for within project impacts and benefits evaluation and are not part of GHG emission calculations when using the CARB INDIGO benefits calculator. You can view the emissions factors used in the calculator by right-clicking on any tab, choosing “Unhide,” then choosing “Emissions factors <HIDE>.”

* + For the purposes of GGRF quantification methodologies, CARB developed a California grid electricity emission factor based on total in-state and imported electricity emissions divided by total consumption. Emissions data were obtained from the CARB GHG inventory, available online at: <https://ww2.arb.ca.gov/sites/default/files/classic/cc/inventory/ghg_inventory_sector_sum_2000-20.pdf>
  + Consumption data were obtained from the CEC Energy Almanac, available online at: <http://www.energy.ca.gov/almanac/electricity_data/electricity_generation.html>
  + US Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories, available online at: <https://www.epa.gov/system/files/documents/2022-04/ghg_emission_factors_hub.pdf>

1. How is the TRL established? How do we know whether a given project is TRL 8 or above?

**CEC:** Please follow the guidelines provided by the Department of Energy: <https://www2.lbl.gov/dir/assets/docs/TRL%20guide.pdf>

1. Can grant funding be combined with funding from U.S. Department of Energy (DOE) Office of Clean Energy Demonstrations (OCED)?

**CEC:** Yes, you may use funds from DOE OCED as match funding, but an award must be in place from OCED at the time applications are submitted. Please include a funding commitment letter from all match funding partners, including the prime applicant.

1. Why is electrifying a heavy emphasis of the solicitation when electric costs are triple the cost of gas in California?

**CEC:** The goal for the INDIGO program is to eliminate fossil gas use in industry by demonstrating alternatives such as electrification to maximize reduction in GHG emissions and criteria air pollutants.

1. Do projects have to provide prevailing wages? And how is that audited?

**CEC:** See Section III.C.5, Budget Forms. “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:

prevailing wages are paid; and

the project budget for labor reflects these prevailing wage requirements; and

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.”

Please also see section 10 and 11 of the INDIGO grant terms and conditions for details regarding the prevailing wage and audit terms and conditions: <https://www.energy.ca.gov/media/9625.>

1. Could you define what electrification of an industrial process/facility means?

**CEC:** Addendum 2 to this solicitation defines electrification of an industrial process/facility as replacing fossil gas-powered technologies or processes with grid or clean, renewable electricity-powered industrial equipment.

1. Is there a definite timeline for installation for the electrification of an industrial process/facility? Can there be phases for the project?

**CEC:** Project phases may be outlined using the Scope of Work and Project Schedule attachments. The installation and pre- and post-installation measurement and verification requirements (section II.B.3. of the solicitation manual) must be completed within the term of the agreement, which must end before June 30, 2028.

1. What documentation is required for proof of electrification of an industrial process/facility?

**CEC:** Documentation includes pre- and post-installation measurement and verification data as well as pictures and invoices for equipment.

1. I see on page 3 of 5 in 02\_GFO-23-313\_Att\_02\_Project\_Narrative\_Form\_ada section titled “Budget and Cost Effectiveness” that Technology/Knowledge Transfer Activities Requires 5% of total CEC funds. Are you able to confirm if this requirement is correct for funding through the INDIGO Program?

**CEC:** We will provide an addendum to remove this from the project narrative. There is no requirement for funds spent in this area under the INDIGO program.