**Questions and Answers, Addendum 02**

**GFO-23-404**

**Equitable Building Decarbonization Program Direct Install Program**

**May 31, 2024 (Amended June 17, 2024)**

The following answers are based on California Energy Commission (CEC) staff’s interpretation of the questions received regarding Grant Funding Opportunity 23-404 for the Equitable Building Decarbonization Direct Install Program. Some questions have been edited for clarity or combined with other similar questions. Questions and answers are grouped by topic. **This amended version includes revisions to the answers to Questions 28, 39, 44, 45, and 48, and also includes one additional question (Question 100). There are no other changes to this document compared to the original version released on May 31, 2024.**

# Application Format and Organization

**Q1: Do font size and spacing requirements apply to figures, tables, graphics, and text boxes?**

A1: Text boxes must follow the font size and spacing requirements described in the Solicitation Manual (11-point Arial, single spaced, blank line between paragraphs). Figures, tables, and graphics are not required to follow these requirements.

**Q2: Is front matter (cover letter, cover page, table of contents, list of acronyms, etc.) excluded from any page count?**

A2: Addendum 01 increases the maximum length of the Program Narrative from 40 pages to 45 pages. This page count includes any front matter.

**Q3: Resumes and Letters of Commitment/Support are limited to two pages. This is per resume and per letter, correct? Is there a limit on the number of resumes and letters that can be provided?**

A3: Correct, resumes and Letters of Commitment/Support are limited to a maximum of two pages each. There is not a limit on the number of resumes or Letters of Commitment/Support that may be provided.

**Q4: Are page numbers required only in the Program Narrative or for all attachments as well?**

A4: Applicants are required to insert page numbers only in the Program Narrative. Attachments provided by the CEC in Microsoft Word already have page numbers included in the template and those should be maintained.

**Q5: In the Program Narrative, are only the headings required or are the criteria below the headers required?**

A5: The Program Narrative must include the headers shown in the Solicitation Manual, for example, “Team Experience and Qualifications,” “Team Roles and Internal Controls,” etc. Applicants must respond to the criteria listed below each header, but are not required to copy/paste the criteria themselves.

**Q6: “Initial Community Focus Areas” appears as its own category in the Evaluation Criteria table (pages 39-40 of the Solicitation Manual), but under Application Organization it appears as a subsection to Program Implementation (pages 24-26). Should that category have its own section of the Program Narrative, before Program Implementation?**

A6: The applicant’s proposed Initial Community Focus Areas should be included in the Program Implementation section of the Program Narrative as indicated in the Solicitation Manual.

# Applicant Eligibility and Team Composition

**Q7: Can a Community Choice Aggregator be a main applicant?**

A7: Yes.

**Q8: Could a Community Choice Aggregator be considered a Community-Based Organization (CBO)?**

A8:As defined in the EBD Direct Install Guidelines, “CBOs include nonprofit organizations, tribal entities, or governmental entities with demonstrated effectiveness representing underresourced or tribal communities and providing support and services to individuals in the community.” Any entity that meets this definition may be considered a CBO. In the Program Narrative, applicants must explain the relevant experience, qualifications, and proposed roles of all team members, including CBOs.

**Q9: Should installation contractors (e.g. HVAC contractors) be considered subcontractors or vendors?**

A9: A subcontractor is defined in the solicitation as “a person or entity that receives grant funds directly from the Recipient and is entrusted by the Recipient to make decisions about how to conduct some of the EBD Direct Install Program activities.” A vendor is defined as “a person or entity that sells goods and services to the Recipient, subcontractor, or any lower-tiered level of sub-subcontractor, in exchange for some of the grant funds, and does not make decisions about how to perform the grant’s activities.” Contractors who perform building retrofits may be defined as either “subcontractors” or “vendors” depending on their specific role and decision-making authority in the program.

**Q10:** **Do all vendors need to be named in the application?**

A10: No, applicants are not required to name all vendors in the application. Applicants may insert “TBD” (To Be Determined) in the “Subcontractor or Vendor Name” column of the Subcontracts tab of the Budget Forms (Attachment 4) to reflect subcontractors/vendors that have not been identified at the time of the application.

# Budget: Cost Categories and Allowable Costs

**Q11: Is there a cap on Project-Related Costs for the state portion of the funding, or only the federal portion?**

A11: For federal funds, the cap on Project-Related Costs is 8 percent of the Recipient’s total budget (federal funds only). There is no cap on Project-Related Costs for the state portion of funding.

**Q12: What is the cap on outreach and engagement costs?**

A12: Outreach and engagement costs are considered Project-Related Costs. For federal funds, the sum of all Project-Related Costs must not exceed 8% of the Recipient’s total budget. There is no separate cap on outreach and engagement costs within the Project-Related Cost category. For state funds, there is no cap on Project-Related Costs or on outreach and engagement costs. In the Program Narrative (Budget Narrative section), applicants must justify the reasonableness of their proposed budget.

**Q13: Didn’t the draft solicitation include outreach and engagement costs in the Administrative Cost category?**

A13: Yes. Based upon public input, CEC amended the language between draft and final solicitation to state that outreach and engagement costs are considered Project-Related Costs, not Administrative Costs. Applications must be developed based on the final solicitation, not the draft solicitation.

**Q14: What cost categories do the following costs fit into: (a) home assessments, (b) modeling of energy savings for homes receiving HOMES funds, (c) Home Energy Rating System (HERS) field verification and diagnostic testing, (d) tracking of actual bill savings?**

A14: (a) Home assessments: Project Costs

(b) Modeling of energy savings: Project-Related Costs

(c) HERS field verification and diagnostic testing: Project Costs

(d) Tracking of actual bill savings: This will be completed by the CEC or through a separate contract, and is not part of the Scope of Work of this solicitation.

**Q15: Does the 5% set-aside for manufactured and mobile homes apply to the total program budget, or only certain cost categories?**

A15: The 5% set-aside applies to Project and Project-Related Costs.

**Q16: Attachment 4 includes the statement “Permit costs and the expenses associated with obtaining permits are not reimbursable under this Agreement, with the exception of costs incurred by University of California Recipients and permits required for the installation of building retrofits pursuant to this program.” Can Recipients other than University of California be reimbursed for permitting costs related to building retrofits?**

A16: Yes, permitting costs required for the installation of decarbonization building retrofits pursuant to this program are allowable costs for all Recipients. Permitting costs are considered Project Costs.

**Q17:** **Are performance bonds an allowable cost?**

A17: If performance bonds are required as part of permitting, they may be eligible Project Costs. Otherwise, they may be eligible Administrative Costs (see I. F. of the Solicitation Manual for further details).

**Q18: Is there a dollar cap on the amount of funds allocated to any one vendor?**

A18: No.

**Q19: Is there a minimum match commitment required?**

A19: No.

**Q20: What funding sources can and can’t be counted as match contributions? For example, if an installer installs a heat pump water heater using $1,000 of EBD funds and $2,000 of funding from another (local, state, utility, or federal) program, is that $2,000 considered a match contribution for purposes of this agreement?**

A20: No, layered incentives from other programs should not be entered into the Budget Forms as a match contribution. The applicant’s approach to layering and coordination with other programs should be described in the Program Narrative. Please note that match funding is not required for this program.

**Q21:** **Can advisory group members be compensated for their time? If so, what funding mechanisms are allowed? For example, can we list them as a vendor and create an invoice for their time and pay them directly? Is there a limitation on utilizing gift cards or other methods of payment for ease of transaction?**

A21: Yes, applicants may propose to compensate advisory group members as part of the budget proposal. If this is proposed, the CEC advises direct payment in the form of a stipend. Compensation of advisory group members is subject to CAM approval, and the CEC will ensure that the approach to compensation is consistent with state rules and across the three regions.

**Q22: Please confirm only direct activities at the project site are covered under Task 5.12 and all rebate processing activities (documentation review, outreach to applicants/contractors, etc.) would be covered under Task 5.13.**

A22: Correct, Task 5.12 only includes the building retrofit itself, as well as required permitting. Project-related activities are covered under a variety of other tasks. For example, outreach is covered in Task 5.8, income verification is covered in Task 5.9, etc. Refer to the Scope of Work for details.

**Q23: Would all check processing activity (once Recipient approves for payment) fall under Task 1.5 or Task 2?**

A23: Check processing activities fall under Task 2.

**Q24: Which task would initial fund reservation activities fall under? Task 2 or Task 5.11?**

A24: Initial fund reservation activities fall under Task 5.11.

# Budget: Profit Restrictions

**Q25: Are vendors subject to the 10 percent profit cap?**

A25: No. There is no profit restriction for vendors. However, Recipients are required to develop and implement cost-control mechanisms to ensure that costs paid to vendors are reasonable.

**Q26:** **How is “profit” defined?**

A26: Profit has its ordinary dictionary definition, i.e., net earnings or the service or selling price minus expenses and costs. See A27 and A28 for more information about allowable subcontractor profit.

**Q27: Subcontractors are limited to 10 percent profit. What budget categories are eligible to form the basis of this 10 percent?**

A27: The basis of this 10 percent profit is all costs incurred by the subcontractor that are eligible for reimbursement through the program (including Administrative, Project-Related, and Project Costs), except for any expenses further subcontracted to other entities (sub-subcontractors or vendors). For example, if a subcontractor has $100,000 in actual allowable costs but has further subcontracted $20,000 to another entity, then the subcontractor can only include up to 10 percent profit on $80,000 ($100,000 minus $20,000).

**Q28: Can subcontractors take a profit on** **Project Costs and Project-Related Costs? If so, why is there an “N/A” in cells F17, G17, I17, and J17 of the Category Budget tab of the Budget Forms (Attachment 4)?**

A28: Yes, subcontractors may claim up to 10 percent profit on all allowable costs, including Administrative, Project-Related, and Project Costs, with the exception of any expenses further subcontracted to other entities (see A27 above). [~~The “N/A” in the cells referenced in this question reflects the fact that Profit itself is categorized as an Administrative Cost, regardless of the type of costs that form the basis of the 10 percent. Profit claimed by a subcontractor must be entered in the Indirect Costs & Profit tab of the subcontractor’s Budget Forms, and will automatically be reflected in the Category Budget tab as an Administrative Cost.]~~ **Addendum 02 revises the Budget Forms to allow Indirect Costs and Profit to be broken down by cost category (to match the base cost), and updates the Category Budget tab accordingly. “N/A” no longer appears in the cells mentioned in the question.**

**Q29: How does the CEC envision market actors, contractors and trades actively participating and supporting this program successfully given the profit limitations?**

A29: This program includes the following profit restrictions: (a) no profit is allowed for the prime Recipient, and (b) profit for subcontractors is limited to 10 percent. There is no profit restriction for vendors, but Recipients are required to develop and implement cost-control mechanisms to ensure costs paid to vendors are necessary and reasonable. CEC is aware of our role as stewards of public funds and of the Equitable Building Decarbonization Program. This includes the responsibility to ensure funds are reasonably spent in accordance with state contracting rules and the Equitable Building Decarbonization Program goals and requirements. The CEC encourages applications from entities/teams that are able to comply with these profit restrictions.

**Q30: We understand that the proposal cannot include profit for the prime Recipient. Does this mean the CEC intends for the prime Recipient to be a nonprofit organization?**

A30: Recipients may be public, private, nonprofit, or for-profit entities.

# Budget: Availability of Funds

**Q31: We are aware that the state funding for this program may be cut given the state budget shortfall. How might that impact the State EBD Direct Install Funding Amounts shown in Table 3 of the Solicitation Manual?**

A31: On May 10, 2024, Governor Newsom released the May Revision to his proposed 2024-25 state budget. The May Revision included a 46% reduction to the total state EBD program budget over the lifetime of the program. If this reduction is reflected in the final 2024-25 state budget (which will be adopted this summer), it would result in a reduction of State EBD Direct Install funding from $689.8 million to $390 million. This would result in the following state funding amounts for each region.

|  |  |  |  |
| --- | --- | --- | --- |
| **Region** | **Project and Project-Related Funds** | **Administrative Funds (Maximum)** | **Total Available Funds** |
| North | $80,730,000 | $8,970,000 | $89,700,000 |
| Central | $66,690,000 | $7,410,000 | $74,100,000 |
| South | $203,580,000 | $22,620,000 | $226,200,000 |
| TOTAL | $351,000,000 | $39,000,000 | $390,000,000 |

Note that potential state funding reductions do not impact the available federal funding shown in Table 4 of the Solicitation Manual.

Please note that these figures are provided for informational purposes only, as the final 2024-25 state budget has not yet been passed by the Legislature and signed by the Governor. **Applicants should develop proposals and complete the Budget Forms (Attachment 4) based on the funding amounts listed in Tables 3 and 4 of the Solicitation Manual, not the reduced funding amounts shown above.**

In addition, Addendum 01 to the solicitation includes the following revision: in the Budget Narrative (Section III.D.2.d), applicants are asked to qualitatively describe how their proposal would change if the available state funds were reduced by 40-50 percent. This may be a high-level, qualitative description. Budget details are not required.

Proposed awardees recommended for funding will have the opportunity to revise their proposals, if needed, to reflect program changes due to changes in available funds.

**Q32: Can EBD funds be “clawed back” due to California budget changes after a grant agreement with a Regional Administrator has been signed?**

A32: Yes. As stated in the Solicitation Manual, “The regional funding amounts are subject to change (increase or decrease) based on the amount of funding authorized by the California Legislature and Governor over the lifetime of the program and the availability and appropriation of federal, ratepayer, or other funds to this program. CEC encourages applicants to review proposed state budgets for potential funding changes. In addition, the CEC reserves the right to transfer funds from one regional administrator to another in the event of a termination or other administrator performance issues. The federal HOMES funding is pending approval by DOE.”

If the final 2024-25 state budget is adopted prior to grant agreements being signed for this program, awardees recommended for funding will have the opportunity to revise their proposed programs and budgets, if needed, prior to grant agreements being signed.

**Q33: How much of the state funding for this program comes from the state General Fund versus the Greenhouse Gas Reduction Fund? Are both these funding amounts at risk of being cut?**

A33: Based on the adopted 2023-24 state budget, 56 percent of the total state EBD program funding was to come from the General Fund, and 44 percent from the Greenhouse Gas Reduction Fund (GGRF). The May Revision to the Governor’s proposed 2024-25 state budget would eliminate nearly all General Fund funding allocated to this program and would partly offset that with an increase in GGRF funding, resulting in a 46% reduction overall.

**Q34:** **Does Budget Letter 24-07, dated 4/29/24, affect the state funding available for this program?**

A34: Budget Letter 24-07 (https://dof.ca.gov/wp-content/uploads/sites/352/2024/04/BL-24-07.pdf) establishes an expenditure freeze on certain State General Fund appropriations. The EBD Direct Install Program is funded in part by the State General Fund (other funding sources include the State Greenhouse Gas Reduction Fund and the Federal HOMES Program, as described in the Solicitation Manual). However, the CEC anticipates that the expenditure freeze described in Budget Letter 24-07 will be lifted once the 2024-25 State Budget is adopted and prior to the CEC entering into grant agreements with Regional Administrators. Please see A31, above, for information about potential reductions to the EBD program budget in the 2024-25 State Budget.

**Q35: The CEC stated that 60 percent of the $292 million available to California through the Inflation Reduction Act HOMES program would be allocated to the EBD Direct Install Program. However, Table 4 in the Solicitation Manual shows that total available federal funding is $152.3 million, which is less than 60 percent of $292 million. Please explain.**

A35: The HOMES funding amount shown in Table 4 of the Solicitation Manual does not include CEC’s administrative and contracting costs.

**Q36: What is the expected start and end date of the Agreements? Will the Agreements end in 2027 since the funding runs through 2027?**

A36: The expected start date of the Agreements is December 2024. The expected end date will be five (5) years after the start date. Funds are not required to be spent in the year they are allocated; however, the CEC encourages the programs to begin retrofits as early as possible so GHG reductions and energy equity benefits may be realized.

**Q37:** **The Solicitation Manual states that the Agreements with Recipients will initially be for 5 years. Does this mean all available state and federal funding will be expended in 5 years? If not, what percent of available funding should applicants include in the Budget Forms?**

A37: Applicants may propose budgets that expend all available state and federal funds within five (5) years.

# Budget Forms (Attachment 4)

**Q38:**  **Are vendors with cumulative contract values over $100,000 required to complete the Budget Forms? What about sub-subcontractors (subs of subs)? What about installation contractors and equipment suppliers?**

A38: A separate set of complete Budget Forms is required for the prime Applicant and for each subcontract containing $100,000 or more. This requirement does not apply to vendors, but does apply to sub-subcontractors. Please see A9, above, for more information about the difference between subcontractors and vendors.

**Q39: The Direct Labor tab requires that hours be entered by task and by employee. For example, if there are 17 employees that will work on all 21 tasks, this would result in 357 rows on the Direct Labor tab. Instead of breaking down the hours by task, can we break them down by cost category (Administrative, Project-Related, and Project)? Same question applies to the Fringe Benefits tab, the Travel tab, and the Subcontracts tab.**

A39: Yes. Addendum 01 to this GFO includes a revised version of the Budget Forms in which costs may be broken down by cost category (Administrative, Project-Related, and Project) rather than by task/subtask. This change applies to the Direct Labor, Fringe Benefits, Travel, and Subcontracts tabs. **Addendum 02 further revises the Budget Forms to allow Indirect Costs and Profit to be broken down by cost category.** [~~Applicants may choose to submit either the original or revised version of the Budget Forms.~~] Please be aware that cost breakdowns by task may be required after the Notice of Proposed Awards has been released and throughout the term of the Agreement.

**Q40: The Direct Labor tab includes a column for both employee name and classification. Understanding additional staff will be hired to support the program when an implementer is selected, can hours be provided by classification rather than employee name and classification?**

A40: Yes, the employee name field is optional.

**Q41: On the Direct Labor tab, can we group all labor classifications in one line, with one maximum direct rate?**

A41: No, different labor classifications need to be identified on separate lines.

**Q42: Fringe Benefits tab: We understand that the proposed fringe benefit rates cannot change through the life of the agreement. This is anticipated to be a 5-year contract, so if there is no flexibility to modify, should the proposed rates be augmented to account for this?**

A42: On the Fringe Benefits tab of the Budget Forms, applicants should include the maximum fringe benefit rate to be charged during the term of the agreement. Rate increases will not be approved. The CEC will only reimburse for actual fringe benefit expenses incurred, not to exceed the rates specified on the Budget Forms.

**Q43: Are only prime Recipients subject to truing up fringe/indirect costs based on actual rates?**

A43: No. The CEC will only reimburse for actual fringe benefit expenses incurred, not to exceed the rates listed on the Budget Forms. This applies to subcontractors as well as the Recipient.

**Q44: On the Fringe Benefits tab and the Indirect Costs & Profit tab, do we need to budget per task even if the fringe/indirect cost rate is the same for every task?**

A44: Addendum 01 includes a modified version of the Budget Forms in which Fringe Benefits may be broken down by cost category (Administrative, Project-Related, Project) rather than by task. [~~On the Indirect Costs & Profit tab, costs do not need to be broken down by cost category or task since all Indirect Costs and Profit are considered Administrative costs.]~~ **Addendum 02 further modifies the Budget Forms to allow Indirect Costs and Profits to be broken down by cost category as well.** [~~Applicants may choose to submit either the original or revised version of the Budget Forms.~~] Please be aware that cost breakdowns by task may be required after the Notice of Proposed Awards has been released and throughout the term of the Agreement.

**Q45: Regarding the Travel tab: can this be an estimate? It is not possible to accurately define specific trips and durations at this stage. Can travel be per cost category (Administration, Project-Related, Project)?**

A45: Yes, travel may be listed as To Be Determined (TBD). As described on the Travel tab, all travel must obtain pre-approval from the Commission Agreement Manager, and travel costs are reimbursed at state rates. In addition, Addendum 01 includes a modified version of the Budget Forms in which Travel may be broken down by cost category (Administrative, Project-Related, Project) rather than by task/subtask. **Addendum 02 further modifies the Budget Forms, and applicants must submit the Addendum 02 version of the Budget Forms.** [~~Applicants may choose to submit either the original or revised version of the Budget Forms.~~]

**Q46: Should all equipment and materials for the program be listed on the prime Applicant’s Budget Forms or on the Budget Forms for the subcontractors or vendors who are purchasing the items?**

A46: The prime Applicant’s Budget Forms should include all costs to be incurred by subcontractors or vendors on the Subcontracts tab. Each subcontractor that will receive $100,000 or more must also complete their own set of Budget Forms, on which they will indicate costs on all relevant tabs. For example, equipment costs to be incurred by a subcontractor would appear on the Subcontracts tab of the prime Applicant’s Budget Forms and on the Equipment tab of the subcontractor’s Budget Forms. Vendors are not required to complete their own set of Budget Forms.

**Q47: How should we identify equipment/materials yet to be purchased or identified on the Budget Forms? At the time of submitting the application, we will not know the specific type and number of retrofit equipment that will be needed.**

A47: Budget Forms may include estimated equipment costs. Please note that the costs of equipment that will be purchased by subcontractors or vendors should be included in the Subcontracts tab (not the Equipment tab) of the prime Applicant’s Budget Forms.

**Q48: Regarding the Subcontracts tab: Subcontractors will be working on multiple tasks. Can this be broken down by cost category (Administration, Project-Related, Project) rather than by task?**

A48: Yes, Addendum 01 includes a modified version of the Budget Forms in which Subcontracts may be broken down by cost category rather than task. **Addendum 02 further modifies the Budget Forms, and applicants must submit the Addendum 02 version of the Budget Forms.** [~~Applicants may choose to submit either the original or revised version of the Budget Forms.~~] Please be aware that cost breakdowns by task may be required after the Notice of Proposed Awards has been released and throughout the term of the Agreement.

**Q49: Regarding the Subcontracts tab: If the subcontractors and CBO outreach partners will be identified in the first year of the program, can the budgets for both the installation contactors and the CBOs be listed as aggregated for each group by cost category (Project for installation contractors and Project-Related for CBOs)?**

A49: Any proposed subcontractors/vendors that are not identified at the time the application is submitted may be identified as To Be Determined (TBD) on the Budget Forms. Please note that Applicants are required to include at least two CBOs on the project team in order for their application to be considered.

**Q50: On the Task List tab, Task 5.7 (the set-aside for manufactured homes) is categorized as “Admin”. Some of the activities under Task 5.7 could also fall under other activities (e.g. “Ensure that retrofits of manufactured homes comply with applicable standards” could also fall under Task 5.13 quality assurance; “Collect data on manufactured home retrofits in accordance with Task 3” could also have activities that fall under Task 5.14 Participant Surveys). How would the CEC prefer bidders to address such overlaps?**

A50: Applicants should interpret Task 5.7 to encompass administrative tasks such as developing the Manufactured and Mobile Homes Service Plan. Implementation of the program for manufactured and mobile homes will fall under other subtasks (for example, outreach to manufactured/mobile homes will be part of Task 5.8, retrofits of manufactured/mobile homes will be part of Task 5.12, etc.).

# Other Application Attachments

**Q51: Is the CEQA Compliance Form (Attachment 8) to be completed for each home retrofit delivered through the program, or only once with our application?**

A51: The CEQA Compliance Form should be submitted once as part of the application package.

**Q52: Past Performance Reference Forms must be submitted for all CEC agreements within the past 10 years, and for the 5 most recent agreements with tribes, other public agencies, or load serving entities. Does that refer to the 5 most recent agreements collectively across the team, or the 5 most recent agreements for each team member?**

A52: This refers to the five (5) most recent agreements held by the prime Applicant, not agreements held by proposed subcontractors or vendors. However, in addition to this requirement, if a team member’s experience and qualifications described in the Program Narrative include a project(s) under current or prior agreements with public or ratepayer funding, the applicant must also submit a Past Performance Reference Form for that team member and project(s), even if the team member is not the primary applicant.

**Q53: If Applicants do not propose additional tasks for the Scope of Work, what is required for a compliant submittal of the Scope of Work attachment?**

A53: Applicants should not change Tasks 1-8 in the Scope of Work (Attachment 2), but may add tasks as indicated in blue text. Applicants are not required to add tasks. If no tasks are added, applicants may remove the section at the end of the Scope of Work that begins “<Add additional tasks as needed for the Agreement>”.

**Q54: Are Letters of Commitment required from proposed installation contractors? Many will be identified as part of the workforce development effort.**

A54: Letters of Commitment are required from all subcontractors identified in the proposal. Applicants are not required to name all subcontractors/vendors in the application. The CEC does not expect installation contractors to be identified in the application since they will be identified after Regional Administrators have been selected as part of Task 5.3 (Workforce Plan and Contractor Enrollment).

**Q55: Will the ECAMS Terms and Conditions apply to this grant?**

A55: No. Please see Attachments 9 and 10 for the Terms and Conditions that will apply to this grant agreement.

# Invoices

**Q56: How are funds drawn down? For example, is Task 1.1 Admin both state and federally funded? If so, how do you want to invoice each 1 hour billed to that task (50/50, CEC first, or how)? Would this rule apply to all the tasks?**

A56: On the Budget Forms (Attachment 4), applicants must identify how they propose to allocate both state and federal funding in each budget category. Recipient invoices should reflect the approved budget.

**Q57: Scope of Work Task 1.5 (Invoices) includes the language “Forecast invoices of reimbursable expenses may be submitted in advance of completion of the work with the approval of the CAM.” Is this the method of requesting advance payments from the CEC, or are forecast invoices just a forecast of expenditures and not used to actually receive any advance funding?**

A57: This is the method of requesting advance payments from the CEC.

# Eligible Projects/Buildings

**Q58: Is new construction eligible for funding through this program? What about new manufactured or prefabricated homes?**

A58: No, the program is limited to retrofits of existing homes.

**Q59: Is there a limit on the size of multifamily buildings that are eligible for the program?**

A59: No.

**Q60: Do income eligibility requirements apply to the property owner, or only to the occupant?**

A60: Only to the occupant.

**Q61: Is there a maximum home value to be eligible for the program?**

A61: No.

**Q62: Are all households within an Initial Community Focus Area eligible to participate in the program?**

A62: To be eligible, a household must meet income eligibility requirements; be located in an underresourced community (including within one half-mile of a DAC); and be located in a Community Focus Area identified through either Task 5.1 or Task 5.2 of the Scope of Work.

**Q63: Are tribes eligible to be served under the funds granted for this GFO and how does that tie in with future funding dedicated to tribes? Are there any limitations on tribes’ ability to participate in the future solicitations if they are served by these funds?**

A63: Yes, tribes are eligible to participate in this program if all other eligibility criteria are met. There is no limitation on a tribe’s ability to participate in future solicitations if they are served by these funds. However, a particular home that is retrofitted by this program may be ineligible for similar programs in the future (such as the EBD Tribal Direct Install Program) to allow as many homes as possible to be served.

# Eligible Measures

**Q64: For mobile homes, is there a budget to allow for non-energy saving improvements like repairing holes in the roof or floor?**

A64: Yes. Remediation and safety improvements are an eligible measure for single-family, multifamily, and manufactured homes. As described in the Program Guidelines, the average per-home cost of remediation and safety measures, including wiring and electrical panel upgrades, must not exceed $6,000 for single-family homes and multifamily units, and $7,200 for manufactured and mobile homes. Remediation costs for an individual home may exceed these amounts, but the average remediation cost across all homes in the region must not exceed these amounts.

**Q65: Is there a deadline for getting products qualified for inclusion in this program? For example, the Guidelines state that occupant controlled smart thermostats must be certified compliant with Joint Appendix 5 (JA5) of the California Energy Code. Is there a deadline to achieve that certification for a smart thermostat to be eligible for the program?**

A65: No, there is not a deadline. A product that is not eligible at program launch may become eligible at some point over the course of the program by meeting the eligibility requirements listed in the Guidelines. Regional Administrators will be responsible for ensuring that all measures installed in homes are eligible at the time of installation.

**Q66: Are load-shifting measures eligible, such as smart thermostats that do not reduce overall energy use but have the potential to save customers money by shifting their usage out of peak periods?**

A66: Yes. Occupant controlled smart thermostats are an eligible measure listed in the Guidelines. In addition, heat pump water heaters are required to be certified compliant with Joint Appendix 13 (JA13) of the California Energy Code and installed in accordance with JA13 specifications to allow for load shifting.

**Q67: Can remediation funds be used to address issues such as hoarding?**

A67: No, but applicants may propose to coordinate with other programs or funding sources to address such issues.

# Energy Savings Requirement

**Q68: Is modeling of energy savings required for all projects, or only projects that will receive HOMES funding?**

A68: For all projects, Recipients must conduct a home assessment, identify recommended measures for the home, and estimate energy savings and expected bill impacts associated with recommended measures. For projects expected to receive HOMES funding, modeled energy savings must a) use a methodology consistent with the HOMES Program Requirements and Application Instructions Section 3.2.4.1 and b) be predicted to achieve a minimum of 20 percent energy savings.

**Q69: If a project is not anticipated to achieve at least 20% energy savings, is that project eligible to receive federal HOMES funding? Is it eligible to receive state EBD funding?**

A69: For a project to receive federal HOMES funding, modeled energy savings must equal or exceed 20 percent using a methodology consistent with the HOMES Program Requirements and Application Instructions Section 3.2.4.1. Projects that are not expected to achieve 20 percent energy savings are eligible to receive state EBD funds assuming all other eligibility requirements are met.

**Q70: Is there a list of DOE-approved modeling software?**

A70: According to the IRA Home Energy Rebates Data & Tools Requirements Guide (<https://www.energy.gov/sites/default/files/2024-05/ira-home-energy-rebates-data-and-tools-requirements-guide-version-1.2.pdf>), “The National Renewable Energy Laboratory is developing a methodology to review energy modeling software for BPI 2400 compliance. A list of approved software will be provided on <https://www.pnnl.gov/projects/rebate-tools> when it is available.”

**Q71: Must each single project funded by HOMES meet or exceed 20% modeled energy savings or can this be achieved on a portfolio basis (across all HOMES funded projects under a particular Regional Administrator)?**

A71: Each individual project must be modeled to achieve 20 percent energy savings for HOMES funding to be applied to the project. This is a per-project requirement, not a portfolio requirement. However, projects that are not anticipated to achieve this level of energy savings may be retrofitted using state EBD funds.

**Q72: As a multifamily program implementer, would our organization be carrying the HOMES rebate for the customer based on the modeled approach? The modeled approach allows for the HOMES rebate to be distributed directly to the customer if the project is predicted to have a 20% energy savings impact.**

A72: Because the EBD Direct Install Program will conduct retrofits at no cost to the homeowner/occupant, HOMES rebates will not be distributed directly to the customer. Instead, retrofit costs will be reimbursed to the Regional Administrators by the CEC using a combination of state and HOMES funds.

**Q73: What if the modeling tools model 20% energy savings, but verification shows that the project is not achieving 20% energy savings? Will the implementer be penalized or funds withheld until the project achieves the 20% energy savings target? What is CEC's proposed course of action to remedy projects that don’t meet the 20% energy savings target?**

A73:Retrofit projects must be modeled to achieve 20 percent energy savings to be eligible for HOMES funding. The CEC or a third party will measure actual energy savings for participating homes over a 12-month post-installation period. There will be no penalty for projects whose actual energy savings do not achieve the modeled savings, but as part of program oversight activities, the CEC will work with Recipients on implementation and program performance issues, including course corrections in the case of significant discrepancies between modeled and measured energy savings. In addition, aggregate results will be analyzed and made publicly available to advance the state’s understanding of the accuracy of modeled energy savings in residential buildings.

# Tenant Protections

**Q74: Do Regional Administrators have authority to investigate potential violations of Program Participation Agreements and make recommendations to the CEC to take action per page 10 of the Terms and Conditions document? Or will the CEC be responsible for investigating violations of Program Participation Agreements and deciding what penalties will be applied?**

A74: Regional Administrators have authority to investigate potential violations of Program Participation Agreements and make recommendations to the CEC. As stated in the Scope of Work, Task 5.12, Regional Administrators are required to provide participants with a phone number to call regarding any concerns related to a project funded by the program, including tenant protections; to follow up within 5 business days on any complaints received regarding violation of tenant protection provisions; and to coordinate with the CEC to enact penalties if needed.

**Q75:** **Page 10 of the Terms and Conditions (Attachment 9) suggests that violations may be met with penalties other than repayment to CEC of grant funds. What are these penalties and where/when will they be specified?**

A75: Violations may be met by any penalty allowable by law. Program participation agreements will be developed during the grant term, and specifics regarding penalties may be addressed at that time.

**Q76: Since the solicitation materials do not include an exhaustive list of possible remedies for violations of tenant protection provisions, how will the approach to enforcement be standardized across Regional Administrators?**

A76: The CEC will work with the Regional Administrators to develop a single Program Participation Agreement template to be used in all three regions. The Program Participation Agreement template will include tenant protections and penalties as described in the Guidelines and in the Scope of Work Task 5.11. All Regional Administrators are required to provide participants with a phone number to call regarding any concerns related to a project funded by the program, including tenant protections; to follow up within 5 business days on any complaints received regarding violation of tenant protection provisions; and to coordinate with the CEC to enact penalties if needed.

**Q77: Will the EBD Direct Install Program Guidelines be updated to include tenant protection enforcement mechanisms?**

A77: Once the program launches, the CEC will closely monitor its progress and outcomes, including tenant protections. The Guidelines will be revised as needed based on program performance and lessons learned.

**Q78: We have heard a potential Regional Administrator say that they can’t enforce the tenant protection components of the program. Who is in charge of monitoring compliance with those provisions? What is the resource if a violation occurs?**

A78: All Regional Administrators will be required to provide participants with a phone number to call regarding any concerns related to a project funded by the program, including tenant protections; to follow up within 5 business days on any complaints received regarding violation of tenant protection provisions; and to coordinate with the CEC to enact penalties if needed.

# Workforce and Prevailing Wage

**Q79: Will the use of targeted hire programs be considered when scoring?**

A79: Applications will be scored based in part on their proposed approach to developing and implementing a Workforce Plan to enroll contractors in the program as described in Task 5.3 of the Scope of Work and in alignment with the Guidelines and HOMES Guidance. Use of targeted hiring strategies is a contractor preference criterion identified in the Guidelines.

**Q80: Are installation contractors required to have certain certifications in order to participate in this program?**

A80: Yes. Please refer to the Workforce Standards and Requirements section of the Program Guidelines (Chapter 4D) and Task 5.3 of the Scope of Work for details.

**Q81: If the project is a public works project subject to prevailing wage requirements, would CEC be the awarding body and register the project with the Department of Industrial Relations, or would that be the Recipient’s responsibility?**

A81: The Recipient will be responsible for complying with all applicable laws, including California public works requirements. Only DIR or the courts have jurisdiction to determine whether an entity is or is not an awarding body. Recipient should consult their legal representative regarding whether the Recipient would be considered an awarding body.

**Q82: Are vendors subject to prevailing wage requirements?**

A82: The CEC is unable to advise or opine on whether prevailing wage applies. Recipients should assume that their projects are public works, and that prevailing wage requirements apply, unless they obtain a determination to the contrary from the Department of Industrial Relations or an appropriate court. Administrators are also responsible for ensuring their subcontractors and vendors comply with applicable prevailing wage requirements. Vendors should consult their own legal counsel to discuss their prevailing wage responsibilities, if any.

# Incentive Layering

**Q83: Can program recipients stack EBD incentives with other incentive programs, for example TECH Clean CA? If so, how can a recipient pursue that incentive layering?**

A83: Yes, coordination and layering with other incentive programs is encouraged where allowed. Please see Scope of Work Task 7 (Leveraging and Layering with Other Programs) for details.

**Q84: Who is responsible to coordinate layering with other programs?**

A84: The Regional Administrators will be responsible to coordinate incentive layering, with CEC approval. Please see Scope of Work Task 7 (Leveraging and Layering with Other Programs) for details.

# Other Topics

**Q85: Does the CEC plan to procure a third party for the development of the central program database that is mentioned in Task 3 of the Scope of Work?**

A85: The CEC plans to develop the central program database in-house.

**Q86: When do you anticipate DOE approval of the CEC’s HOMES application?**

A86: CEC plans to submit the HOMES application to DOE in summer 2024. DOE review and approval is expected to take several months.

**Q87: We have heard that existing pilot projects are unlikely to get funding to expand their projects and reach additional households or communities. Is this true?**

A87: Applicants may propose to partner with existing direct install programs (including existing pilot programs) as part of one or more Initial Community Focus Areas. For example, see page 25 of the Solicitation Manual: “Applicants are strongly encouraged to identify at least one ‘rapid start’ Initial Community Focus Area that has the capacity to begin EBD-funded building retrofits within 6-9 months following the effective date of Agreement. This may be accomplished by partnering with an existing direct install program. Rapid start communities are not exempt from EBD program requirements as described in the Guidelines, relevant aspects of the HOMES Program Guidance, and this Solicitation, including but not limited to workforce standards and tenant protections.”

**Q88: Will there be any similar funding opportunities in the future, like in 2025?**

A88: This solicitation will select Regional Administrators for the next 5 years of the program. We do not yet know whether funds will be allocated for similar opportunities in the future. That will depend on state funding for future fiscal years.

**Q89: Did this solicitation shift from a Request for Proposals (RFP) to a Grant Funding Opportunity (GFO)?**

A89: No. This solicitation was designed as a GFO from the start.

**Q90: Will this program require combustion safety testing?**

A90:As described in the Scope of Work, Task 5.13 (Quality Assurance and Quality Control), Recipients will develop QA/QC procedures that meet Guidelines and HOMES program requirements. HOMES Program Requirements & Applications Instructions Section 3.2.5 includes a requirement for combustion safety testing in homes where fossil fuel systems have been impacted by the installation.

**Q91: How many retrofit projects does the CEC expect the program to fund?**

A91: It is the responsibility of applicants to propose how to allocate funds. In the Program Narrative (Schedule Narrative section), applicants are asked to project the number of retrofitted homes within 6-12 months of program launch and per year thereafter based on their proposal.

**Q92: CEC included a preference to limit each household’s retrofit timeline to 30 days whenever possible. To what extent should this preference influence the measures selected for the property?**

A92: The purpose of limiting project construction to 30 days (per home or apartment unit), whenever possible, is to minimize disruption to the occupants of the home. This is not a firm requirement, since the CEC recognizes that some projects may require more time. Measures should be selected based on the home assessment, standard packages of measures, and analysis of the home’s utility meter data, as described in Scope of Work Task 5.10 (Home Assessments).

**Q93: Will Recipients have access to Recurve analysis or only raw meter data collected within their screening tool? Is it only possible to get access by contracting directly with Recurve?**

A93: As described in Scope of Work Task 5.6 (Household/Property Pre-Screening), the CEC has an existing contract with Recurve Analytics, Inc. to create a screening tool to identify households within each Community Focus Area that are the most likely to benefit from the EBD Direct Install Program based on the likelihood they will reduce fossil fuel usage and experience utility bill savings from decarbonization and other criteria. Regional Administrators will receive a list of pre-screened addresses in each Community Focus Area in the region from the CAM and/or from Recurve Analytics based on the EBD Screening Dashboard. Recipients may also choose to contract directly with Recurve Analytics for independent access to the EBD screening dashboard for addresses that consent to sharing their utility meter data with the Recipients.

**Q94: It is unclear if CEC will provide awarding teams with grant funds for retrofit projects upfront. If so, we understand that there’s no need for financing “gap capital” as CEC provided funds will be made available to pay for labor, equipment, etc. Or will CEC only reimburse awardees for completed projects, resulting in project implementers needing to float the project capital to start and complete projects until CEC reimburses a verified project. Can CEC clarify how funds will be distributed, if implementers will have to float the project costs, and if there’s a need for private financing in this program?**

A94: Program Administrators may request advance funds from the CEC to cover retrofit project costs. Please see the Terms and Conditions (Attachment 9), Section 15, for more information about advance funds.

**Q95: Does the CEC anticipate needing a set-aside planning task for the multifamily sector (or other sectors with specific carveouts) similar to the manufactured housing sector?**

A95: Applicants are asked to describe their approach to serving multifamily housing in several parts of the Program Narrative. Once agreements are in place, Recipients will be required to develop a Manufactured and Mobile Homes Service Plan (see Scope of Work Task 5.7). There is not a standalone plan required for multifamily housing. Rather, multifamily housing is expected to be addressed along with single-family homes as part of all implementation tasks.

**Q96: Regarding Critical Project Review (CPR) Meetings: is there an anticipated minimum interval for CPR meetings (for example, one a year)? The Scope of Work states “Meeting costs will be borne by the Recipient and not billed to the CEC.” Can these costs be counted as match? Do these meeting costs include the preparation of any CPR report, travel-related costs (if applicable), and time in the meeting? If travel is required to go to Sacramento, would that also be able to be allocated as match?**

A96: The CAM will only schedule CPR meetings as needed to address concerns regarding the Recipient’s performance under the Agreement. Yes, the costs of CPR meetings and associated travel, if needed, may be allocated as match.

**Q97: Does the 10% retention apply only to administrative costs, or to all cost categories?**

A97: The 10 percent retention applies only to administrative costs. Please see the Terms and Conditions (Attachment 9), page 17-18, for more information.

**Q98: Why does this program matter?**

A98: Please see Chapter 1 of the Program Guidelines for information about the significance, background, and goals of the EBD program.

**Q99: What is the overall status of the EBD program (not just the EBD Direct Install Program)?**

A99: The EBD program will include three primary components: a Statewide Direct Install Program, a Tribal Direct Install Program, and a Statewide Incentive Program. The CEC is currently accepting applications for Regional Administrators for the Statewide Direct Install Program through GFO-23-404. In the coming months, the CEC will develop guidelines for the Tribal Direct Install Program and will release more information about the Statewide Incentive Program.

**Q100: If an organization provides a letter of support for a Regional Administrator applicant, could that organization also be considered to participate in the Advisory Group, or would that be a conflict of interest?**

**A100: Providing a letter of support would not automatically disqualify an organization from proposing another representative other than the letter’s signatory for selection to the Advisory Group. Individuals serving on advisory groups to the CEC might be subject to Government Code section 87104 which restricts those advisory members from certain communications with the CEC including appearing in an application for funding. If an organization provides a letter of support for a Regional Administrator applicant, and also wants a representative from that organization to serve on the Advisory Group, then the letter of support should be submitted and signed by another person who is not seeking selection for the Advisory Group. Note that organizations that are paid members of selected Regional Administrator teams will not be eligible to have a representative serve on the Advisory Group. Please see the Scope of Work Task 1.4 for more information on how the Advisory Group will be formed. Please note that the CEC cannot provide legal advice, and Applicants and the prospective signatory who might serve on the advisory group should discuss potential implications with their legal representative.**