**GFO-23-402**

Geothermal Grant and Loan Program

# **Addendum 7**

December 12, 2024

The purpose of this addendum is to notify potential applicants of the changes that have been made to the GFO-23-402 Solicitation Manual, Attachment 01 – Application Form, and Attachment 03 – Project Narrative. Added language appears in **bold underline** and deleted language appears in ~~[strikethrough and within square brackets.]~~

Addendum 7 to GFO-23-402 broadens the scope of this solicitation related to mineral recovery to include the recovery of other minerals from geothermal brine, in addition to lithium. Other changes were included based on new California Energy Commission requirements.

Attachment 00 GFO-23-402 Solicitation Manual is edited as follows:

1. Page 2, Section I.A., “Purpose of the Solicitation”

The purpose of this solicitation is to award grants to fund projects focused on geothermal energy and**/or recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine that support local jurisdictions and private entities to advance the geothermal sector and related activities per Public Resource Code (PRC) Sections 3800-3827 and California Code of Regulations (CCR) Sections 1660-1665. **Under no circumstances will loans be issued under this solicitation**.

1. Page 3, Section I.B., “Key Words”

|  |  |
| --- | --- |
| **Word/Term** | **Definition** |
| **Critical Minerals** | **The Energy Act of 2020 defines a “critical mineral” as a non-fuel mineral or mineral material essential to economic and national security (2) that has a supply chain vulnerable to disruption, (3) that serves an essential function in the manufacturing of a product, and (4) whose absence would have significant consequences for our economy or national security. In 2018, the Secretary of the Interior designed an initial 35 minerals and mineral groups as critical. The list was updated to 50 in 2022. More information can be found in the report “Critical Materials & Critical Minerals in California.” Source:** [Business.ca.gov](https://business.ca.gov/wp-content/uploads/2023/02/CACriticalMaterialsOverview_Jan2023.pdf) |

1. Page 6, Section I.C., “Project Focus”

Projects under this solicitation must relate to the development of geothermal energy resources and/or **the recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine**,** based on the activities described in the selected eligible purposes, as defined in PRC Section 3823 and this Section I. C. For Phase 2 applications, the Project Narrative (Attachment 3) must include and discuss only one of the following selected eligible purposes, pursuant to the PRC Section 3823 (Phase 1 applications are not required to select an eligible purpose)

(a) Undertaking research and development projects relating to geothermal resource assessment and exploration, and direct-use and electric generation technology. This also includes undertaking research and development projects such as resource assessment and exploration of **recovery of** lithium ~~[recovery]~~ **and/or other critical minerals** from geothermal brine.

(b) Local and regional planning and policy development and implementation necessary for compliance with programs required by local, state, or federal laws and regulations, related to geothermal resources and/or **recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine.

(c) Identification of feasible measures that will mitigate the adverse impacts of the development or production of geothermal resources, the extraction of minerals from geothermal brines, and related activities, and the adoption of ordinances, regulations, and guidelines to implement those measures. ~~[Extraction of minerals from geothermal brine is limited to lithium recovery.]~~

(g) Monitoring and inspecting geothermal facilities and related activities to assure compliance with applicable laws, regulations, and ordinances. This includes **recovery of** lithium ~~[recovery]~~ **or other critical mineral** facilities and its related activities.

(h) Identifying, researching, and implementing feasible measures that will mitigate the adverse impacts of the development or production of geothermal resources, extraction of minerals from geothermal brines, and related activities, including mitigation measures that provide community benefits directly or indirectly related to adverse social and economic impacts. ~~[Extraction of minerals from geothermal brine is limited to lithium recovery.]~~

(i) Planning, constructing, providing, operating, and maintaining those public services and facilities that are necessitated by, and result from, the development or of geothermal resources, the extraction of minerals from geothermal brines, and related activities. ~~[Extraction of minerals from geothermal brine is limited to lithium recovery and its related activities.]~~

1. Page 13, Section, I.I., “Background”

The CEC’s Geothermal Grant and Loan Program was created in 1980 by Assembly Bill 1905 (Bosco, Chapter 139, Statutes of 1980). The overall mission of the program is to provide funding to promote development of California's vast resources of geothermal energy and**/or recovery of** lithium **or other critical minerals** from geothermal brine to support the State’s energy and climate goals. The program also aims to mitigate any adverse impacts caused by geothermal development and**/or recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine, and help local jurisdictions offset the costs of providing public services necessitated by geothermal development and related activities.

1. Page 16, Section, I.J., “Match Funding”

Any match pledged in Attachment 1 must be consistent with the amount or dollar value described in the commitment letter(s) (e.g., if $5,000 “cash in hand” funds are pledged in a commitment letter, Attachment 1 must match this amount). ~~[Only the total amount pledged in the commitment letter(s) will be considered for match funding points.]~~

1. Page 25, Section III.D.10., “Full Application Phase Two – Content – Application Declaration (Attachment 10)”

This form requests the applicant that is not a California Native American Tribe to declare that they: are not delinquent on taxes nor suspended by the California Franchise Tax Board; have not filed for bankruptcy and are not currently filing for bankruptcy; are registered to do business in California and their registration with the State of California is in good standing; are not being sued by any public agency or entity; are in compliance with the terms of all settlement agreements, if any, entered into with the CEC or another public agency or entity; are in compliance with all judgments, if any, issued against the Applicant in any matter to which the CEC or another public agency or entity is a party; are complying with any demand letter made on the Applicant by the CEC or another public agency or entity; and are not in active litigation with the CEC regarding the Applicant’s actions under a current or past contract, grant, or loan with the CEC. ~~[California Native American tribe,]~~ Applicants who are a California Native American tribe or Unit of Indian Government will be expected to make some, but not all, of the above mentioned declarations, as described in Attachment 10. The declaration must be signed under penalty of perjury by an authorized representative of the applicant’s organization.

1. Page 34, Section IV.G., “Full Application Phase Two – Screening”
2. ~~[The application does not contain any confidential information or identify any portion of the application as confidential.]~~
3. The Application includes ~~[Commitment Letters that total]~~ the minimum of 100*%* in match share of the total requested CEC funds for private entities.
4. Page 37, Section, IV.H., “Full Application Phase Two – Scoring”

**Proven Extent of the Resource**

1. Demonstrate sufficient knowledge and understanding of the geothermal resource and/or **recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine, as well as local and regional conditions and/or barriers, to allow achievement of the proposed project goals and objectives, and successful completion of tasks.
2. Identify the degree to which the geothermal resource and/or **recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine is developed and capable of supporting the proposed project and/or benefiting from project activities.
3. Page 38, Section, IV.H., “Full Application Phase Two – Scoring”

**Contribution to Development of California’s Geothermal Energy and Recovery of Lithium ~~[Recovery]~~ or Other Critical Minerals from Geothermal Brine**

1. Provide a discussion of the proposed project in relation to the current status of geothermal and/or **recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine**,** planning, research, development, or impact mitigation in California.
2. Identify and discuss how and to what degree the project or project activities will contribute to the understanding and/or development of California’s geothermal energy resources and/or **recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine as well as local, regional, and statewide effects.
3. Page 40, Section, IV.H., “Full Application Phase Two – Scoring”

**Match Funds**

For example, if a local jurisdiction is requesting $1,000,000 in grant funds and has **an application** ~~[commitment letters]~~ showing a $350,000 match commitment, the percentage of match funds compared to requested grant funds would be 35% and would receive 4 points.

Attachment 01 – Application Form is edited as follows:

* (a) Undertaking research and development projects relating to geothermal resource assessment and exploration, and direct-use and electric generation technology. This also includes undertaking research and development projects such as resource assessment and exploration of **recovery of** lithium ~~[recovery]~~ **and/or other critical minerals** from geothermal brine.
* (b) Local and regional planning and policy development and implementation necessary for compliance with programs required by local, state, or federal laws and regulations, related to geothermal resources and/or **recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine.
* (c) Identification of feasible measures that will mitigate the adverse impacts of the development or production of geothermal resources, the extraction of minerals from geothermal brines, and related activities, and the adoption of ordinances, regulations, and guidelines to implement those measures. ~~[Extraction of minerals from geothermal brine is limited to lithium recovery.]~~
* (g) Monitoring and inspecting geothermal facilities and related activities to assure compliance with applicable laws, regulations, and ordinances. This includes **recovery of** lithium ~~[recovery]~~ **or other critical mineral** facilities and its related activities.
* (h) Identifying, researching, and implementing feasible measures that will mitigate the adverse impacts of the development or production of geothermal resources, extraction of minerals from geothermal brines, and related activities, including mitigation measures that provide community benefits directly or indirectly related to adverse social and economic impacts. ~~[Extraction of minerals from geothermal brine is limited to lithium recovery.]~~
* (i) Planning, constructing, providing, operating, and maintaining those public services and facilities that are necessitated by, and result from, the development or of geothermal resources, the extraction of minerals from geothermal brines, and related activities. ~~[Extraction of minerals from geothermal brine is limited to lithium recovery and its related activities.]~~

Attachment 03 – Project Narrative is edited as follows:

**Proven Extent of the Resource**

1. Demonstrate sufficient knowledge and understanding of the geothermal resource and/or **recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine, as well as local and regional conditions and/or barriers, to allow achievement of the proposed project goals and objectives, and successful completion of tasks.
2. Identify the degree to which the geothermal resource and/or **recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine is developed and capable of supporting the proposed project and/or benefiting from project activities.

**Contribution to Development of California’s Geothermal Energy and Recovery of Lithium ~~[Recovery]~~ or Other Critical Minerals from Geothermal Brine**

1. Provide a discussion of the proposed project in relation to the current status of geothermal and/or **recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine**,** planning, research, development, or impact mitigation in California.
2. Identify and discuss how and to what degree the project or project activities will contribute to the understanding and/or development of California’s geothermal energy resources and/or **recovery of** lithium ~~[recovery]~~ **or other critical minerals** from geothermal brine as well as local, regional, and statewide effects.