

STATE OF CALIFORNIA  
**GRANT AGREEMENT**

AGREEMENT NUMBER

REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

California Energy Commission, hereinafter referred to as "State"

CONTRACTOR'S NAME

, hereinafter referred to as "University"

2. The term of this Agreement is: through

The effective date of this Agreement is either the start date or the date this agreement was signed by the California Energy Commission, whichever is later. No work shall commence until the effective date.

3. The maximum amount of this Agreement is: \$

4. The parties agree to comply with the terms and conditions of the following Exhibits, which by this reference are made a part of the Agreement.

**Exhibit A – A5:** A–Scope of Work; A1–Deliverables; A2–Key Personnel; A3–Authorized Representatives; A4–Preexisting Data; A5–CV/Resumes page(s)

**Other Exhibits A** (when applicable): A6–Current & Pending Support; A7–Third Party Confidential Information Requirement page(s)

**Exhibit B – B–Budget; B1–Budget Justification; B2–Subrecipient Budgets (if applicable); B3–Invoice Elements** page(s)

**Exhibit C\* – University Terms and Conditions** UTC-518

Check mark additional Exhibits below, and attach Exhibits or provide internet link:

- ☐ **Exhibit D** – Additional Requirements Associated with Funding Sources page(s)
- ☒ **Exhibit E** – Special Conditions for Security of Confidential Information 1 page(s)
- ☐ **Exhibit F** – Access to State Facilities and Computing Resources page(s)
- ☒ **Exhibit G** – If applicable 7 page(s)

Items shown with an Asterisk (\*) are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at [dgs.ca.gov/ols/Resources/StandardContractLanguage.asp](http://dgs.ca.gov/ols/Resources/StandardContractLanguage.asp).

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

**CONTRACTOR**

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

**STATE OF CALIFORNIA**

AGENCY NAME

State Energy Resources Conservation and Development Commission

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

Michael Poe, Contracts, Grants, and Loans Office Acting Manager

ADDRESS

1516 Ninth Street, MS-18, Sacramento, CA 95814

**California Department of General  
Services Use Only**

☐ Exempt per:

## Exhibit A1

### SCHEDULE OF DELIVERABLES<sup>1</sup>

List all items that will be delivered to the State under the proposed Scope of Work. Include all reports, including draft reports for State review, and any other deliverables, if requested by the State and agreed to by the Parties. All Deliverables shall be delivered to the State's Contract Project Manager identified in Exhibit A3, unless otherwise stated in this Agreement.

Unless otherwise directed by the Energy Commission all Deliverables, including drafts, shall be submitted to the State Agency Accounting Contact identified in Exhibit A3 (which will then forward them to the State Agency Contract Project Manager for review and comment). The University will submit an original and two copies of the final version of all Deliverables to the State Agency Accounting Contact identified in Exhibit A3.

Deliverable <sup>2</sup>	Description	Due Date
<b>The following Deliverables<sup>3</sup>, to the extent not restricted by Exhibit A4, are subject to Exhibit C, Paragraph 18. Copyrights, subparagraph B</b>		
Progress Report #1		
Progress Report #2		
Final Report Outline (draft and final)		
Final Report (draft and final)		
In-state and California Based Entity Expenditures	A report documenting the Total Energy Commission Reimbursable Funds Spent in California and Total Energy Commission Reimbursable Funds to California Based Entities (CBE*) associated with the current request for payment and the cumulative-to-date must be provided with the University's request for payment. This report can be listed on the request for payment, appended to it as an attachment, or documented using the Total Energy Commission Reimbursable Funds Spent in California* and Total Energy Commission Reimbursable Funds to CBEs form at <a href="http://energy.ca.gov/research/contractors.html">energy.ca.gov/research/contractors.html</a> .	
Match Funds Report	Provide a report on Match Funds expenditures with the University's request for payment.	

\* See Definitions in [Exhibit G](#).

<sup>1</sup> The term Deliverable includes Products as used in this Agreement, including the Scope of Work. Therefore, to the extent this Agreement uses the term "Product" it shall have the same meaning as "Deliverable" and vice versa.

<sup>2</sup> If use of any Deliverable is restricted or is anticipated to contain Preexisting Data or copyrightable works with any restricted use, it will be clearly identified in Exhibit A4, Use of Preexisting Data, Copyrighted Works and Deliverables. For deliverables entered in this first section, copyright shall remain with the University with a license to the State in accordance with Exhibit C, Paragraph 18.A.

<sup>3</sup> Deliverables entered below this line are specifically created as copyrightable works for the Energy Commission and all rights in such copyrightable work will be the property of the Energy Commission, with a reserved right for the University to use the deliverables in accordance with Exhibit C, Paragraph 18.B.



## Exhibit A2

### KEY PERSONNEL

List Key Personnel as defined in the Agreement starting with the PI, by last name, first name followed by Co-PIs. Then list all other Key Personnel in alphabetical order by last name. For each individual listed include his/her name, institutional affiliation, and role on the proposed project. Use additional consecutively numbered pages as necessary.

Last Name, First Name	Institutional Affiliation	Role on Project
<b>PI:</b>		
<b>Co-PI(s) – if applicable:</b>		
<b>Other Key Personnel (if applicable):</b>		

## Exhibit A3

### AUTHORIZED REPRESENTATIVES AND NOTICES

The following individuals are the authorized representatives for the State and the University under this Agreement. Any official Notices issued under the terms of this Agreement shall be addressed to the Authorized Official identified below, unless otherwise identified in the Agreement.

Changes in the University Principal Investigator are subject to the Key Personnel section of this Agreement. Changes in other contact information may be made by notification, in writing, between the parties.

State Agency Contacts	University Contacts
Agency Name:	University Name:
<b><i>Contract Project Manager (Technical)</i></b>	<b><i>Principal Investigator</i></b>
Name:	Name:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
Email:	Email:
<b><i>Authorized Official (contract officer)</i></b>	<b><i>Authorized Official</i></b>
Name:	Name:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
Email:	Email:
<b><i>Send notices to (if different):</i></b>	<b><i>Send notices to (if different):</i></b>
Name:	Name:
Address:	Address:
Telephone:	Telephone:
Fax:	Fax:
Email:	Email:

<p><b><i>Administrative Contact</i></b></p> <p>Name:</p> <p>Address:</p> <p>Telephone:</p> <p>Fax:</p> <p>Email:</p>	<p><b><i>Administrative Contact</i></b></p> <p>Name:</p> <p>Address:</p> <p>Telephone:</p> <p>Fax:</p> <p>Email:</p>
<p><b><i>Financial Contact/Accounting</i></b></p> <p>Name:</p> <p>Address:</p> <p>Telephone:</p> <p>Fax:</p> <p>Email:</p>	<p><b><i>Authorized Financial Contact/Invoicing</i></b></p> <p>Name:</p> <p>Address:</p> <p>Telephone:</p> <p>Fax:</p> <p>Email:</p>

## Exhibit A4

### USE OF PREEXISTING DATA, COPYRIGHTED WORKS, KNOWN PATENTS, TRADEMARKS, SERVICE MARKS, TRADE SECRETS AND DELIVERABLES

*If either Party will be using any third-party or pre-existing data, copyrighted works, known patents, trademarks, service marks, and trade secrets that have restrictions on use, then list all such data, copyrighted works, known patents, trademarks, service marks, and trade secrets and the nature of the restriction below. If no third-party or pre-existing data, copyrighted works, known patents, trademarks, service marks, or trade secrets will be used, check "none" in this section.*

- A. State: Preexisting Data, known patents, trademarks, service marks, trade secrets, and/or copyrighted works to be provided to the University from the State or a third party for use in the performance in the Scope of Work.

☐ None or ☐ List:

Owner (State Agency or 3 <sup>rd</sup> Party)	Type of Data, copyrighted work, known patents, trademarks, service marks, or trade secrets	Description	If Restricted, nature of restriction. If unrestricted then "none."

- B. University: Use of Preexisting Data, known patents, trademarks, service marks, trade secrets, and/or copyrighted works included in Deliverables identified in Exhibit A1.

☐ None or ☐ List:

Owner (University or 3 <sup>rd</sup> Party)	Type of Data, copyrighted work, known patents, trademarks, service marks, or trade secrets	Description	If Restricted, nature of restriction. If unrestricted then "none."

- C. Anticipated restrictions on use of Project Data.

*If the University PI anticipates that any of the Project Data generated during the performance of the Scope of Work will have a restriction on use (such as subject identifying information in a data set) then list all such anticipated restrictions below. If there are no restrictions anticipated in the Project Data, then check "None" in this section.*

☐ None or ☐ List:

Owner (University or 3 <sup>rd</sup> Party)	Description	Nature of Restriction:
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## Exhibit A5

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### CURRICULUM VITAE (CV) / RÉSUMÉS / BIOSKETCH

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*Attach CV/Résumé/Biosketch for Key Personnel listed in Exhibit A2.*

## Exhibit A6

### CURRENT & PENDING SUPPORT

(Will be incorporated, if applicable.)

University will provide current & pending support information for Key Personnel identified in Exhibit A2 at time of proposal and upon request from State agency. The "Proposed Project" is this application that is submitted to the State. Add pages as needed.

PI: NAME					
Status (currently active or pending approval)	Award # (if available)	Source (name of the sponsor)	Project Title	Start Date	End Date
Proposed Project					
CURRENT					
CURRENT					
PENDING					

NAME					
Status	Award #	Source	Project Title	Start Date	End Date
Proposed Project					
CURRENT					
CURRENT					
PENDING					

NAME					
Status	Award #	Source	Project Title	Start Date	End Date
Proposed Project					
CURRENT					
CURRENT					
PENDING					

NAME					
Status	Award #	Source	Project Title	Start Date	End Date
Proposed Project					
CURRENT					
CURRENT					
PENDING					

NAME					
Status	Award #	Source	Project Title	Start Date	End Date
Proposed Project					
CURRENT					
CURRENT					
PENDING					

## **Exhibit A7**

### **Third Party Confidential Information**

### **Confidential Nondisclosure Agreement**

*(Identified in Exhibit A, Scope of Work – will be incorporated, if applicable)*

*If the scope of work requires the provision of third party confidential information to either the State or the Universities, then any requirement of the third party in the use and disposition of the confidential information will be listed below. The third party may require a separate Confidential Nondisclosure Agreement (CNDA) as a requirement to use the confidential information. Any CNDA will be identified in this Exhibit A7.*

## **Exhibit B**

### **Budget Estimate for Project Period**

[Attach \(or insert\)](#)

# Exhibit B1

## Budget Justification

*The Budget Justification will include the following items in this format.*

### Personnel

**Name.** Starting with the Principal Investigator list the names of all known personnel who will be involved on the project for each year of the proposed project period. Include all collaborating investigators, individuals in training, technical and support staff or include as “to be determined” (TBD).

**Role on Project.** For all personnel by name, position, function, and a percentage level of effort (as appropriate), including “to-be-determined” positions.

### Fringe Benefits.

In accordance with University policy, explain the costs included in the budgeted fringe benefit percentages used, which could include tuition/fee remission for qualifying personnel to the extent that such costs are provided for by University policy, to estimate the fringe benefit expenses on Exhibit B.

### Travel

Itemize all travel requests separately by trip and justify in Exhibit B1, in accordance with University travel guidelines. Provide the purpose, destination, travelers (name or position/role), and duration of each trip. Include detail on airfare, lodging and mileage expenses, if applicable. Should the application include a request for travel outside of the state of California, justify the need for those out-of-state trips separately and completely.

### Materials and Supplies

Itemize materials supplies in separate categories. Include a complete justification of the project’s need for these items. Theft sensitive equipment (under \$5,000) must be justified and tracked separately in accordance with State Contracting Manual Section 7.29.

### Equipment

List each item of equipment (greater than or equal to \$5,000 with a useful life of more than one year) with amount requested separately and justify each.

### Consultant Costs

Consultants are individuals/organizations who provide expert advisory or other services for brief or limited periods and do not provide a percentage of effort to the project or program. Consultants are not involved in the scientific or technical direction of the project as a whole. Provide the names and organizational affiliations of all consultants. Describe the services to be performed, and include the number of days of anticipated consultation, the expected rate of compensation, travel, per diem, and other related costs.

### Subawardee (Consortium/Subrecipient) Costs

Each participating consortium organization must submit a separate detailed budget for every year in the project period in Exhibit B2 Subcontracts. Include a complete justification for the need for any subawardee listed in the application.

### Other Direct Costs

Itemize any other expenses by category and cost. Specifically justify costs that may typically be treated as indirect costs. For example, if insurance, telecommunication, or IT costs are charged as a direct expense, explain reason and methodology.

### Rent

If the scope of work will be performed in an off-campus facility rented from a third party for a specific project or projects, then rent may be charged as a direct expense to the award.

### Indirect (F&A) Costs

Indirect costs are calculated in accordance with the University budgeted indirect cost rate in Exhibit B.



## **Exhibit B2**

### **Budget Estimates Pertaining to Subcontractors (when applicable)**

[Attach \(or insert\)](#)

## **Exhibit B3**

### **Invoice and Detailed Transaction Ledger Elements**

In accordance with Section 14 – Payment and Invoicing, the invoice, summary report and/or transaction/payroll ledger shall be certified by the University’s Financial Contact and the PI.

**Summary Invoice – includes either on the invoice or in a separate summary document – by approved budget category (Exhibit B) – expenditures for the invoice period, approved budget, cumulative expenditures and budget balance available**

- Personnel
- Equipment
- Travel
- Subawardee – Consultants
- Subawardee – Subcontract/Subrecipients
- Materials & Supplies
- Other Direct Costs
  - TOTAL DIRECT COSTS (if available from system)
- Indirect Costs
  - TOTAL

#### **Detailed transaction ledger and/or payroll ledger for the invoice period**

- University Fund OR Agency Award # (to connect to invoice summary)
- Invoice/Report Period (matching invoice summary)
- GL Account/Object Code
- Doc Type (or subledger reference)
- Transaction Reference#
- Transaction Description, Vendor and/or Employee Name
- Transaction Posting Date
- Time Worked
- Transaction Amount

*\* If this information is not on the invoice or summary attachment, it may be included in a detailed transaction ledger.*

*\*\* For salaries and wages, these elements are anticipated to be included in the detailed transaction ledger. If all elements are not contained in the transaction ledger, then a separate payroll ledger may be provided with the required elements.*



## Exhibit D (if applicable)

### Additional Requirements Associated with Funding Sources

*If the Agreement is subject to any additional requirements imposed on the funding State agency by applicable law (including, but not limited to, bond, proposition and federal funding), then these additional requirements will be set forth in Exhibit D. If the University is a subrecipient, as defined in 2 CFR 200 (Uniform Guidance on Administrative Requirements, Audit Requirements and Cost Principles for Federal Financial Assistance), and the external funding entity is the federal government, the name of the federal agency, the prime award number (if available), and the Catalog of Federal Domestic Assistance (CFDA) program number will be listed in Exhibit D. (Please see sections 10.A and 10.B of the UTC.)*

Agency (Required for federal funding source)	Prime Agreement Number (if available)	If Federal, CFDA Number

## **Exhibit E (if applicable)**

### **Special Conditions for Security of Confidential Information**

*If the of work or project results in additional legal and regulatory requirements regarding security of Confidential Information, those requirements regarding the use and disposition of the information, will be provided by the funding State agency in Exhibit E. (Please see section 8.E of the UTC.)*

1. The Energy Commission has established regulations related to confidentiality. Accordingly, the University, or other submitting entity under this Agreement, will follow the procedures for a request for designation of confidential information as specified in Title 20 California Code of Regulations section 2505 and receive a determination of confidentiality before the Energy Commission is obligated to treat the material submitted to it as confidential.

## **Exhibit F (if applicable)**

### **Access to State Facilities or Computing Systems**

#### **Agency Requirements/Agreement**

*If the scope of work or project requires that the Universities have access to State agency facilities or computing systems and a separate agreement between the individual accessing the facility or system and the State agency is necessary, then the requirement for the agreement and the agreement itself will be listed in Exhibit F. (Please see section 20 of the UTC.)*

## **Exhibit G – Negotiated Alternate Language to UTC**

(For use in all CEC Contracts and Grants with UC/CSU except EPIC)

### **1. Precedence of this Exhibit G**

- A. The Energy Commission and the University have mutually determined that certain specified Agreement provisions from Exhibit C are inappropriate or inadequate for this Agreement and therefore have agreed to the following alternate UTC Terms as provided for in this Exhibit G – Negotiated Alternate Language to UTC.
- B. In the event of a conflict, the terms in this Exhibit G take precedence over other provisions of this Agreement, including Exhibit C.

### **2. Patent Rights - University**

- A. Subject to the requirements of law, all rights to any patentable inventions or discoveries conceived and first actually reduced to practice in the performance of the Scope of Work, Exhibit A, conducted under this Agreement (“Patentable Inventions”) shall belong to the University. The State shall have a nonexclusive, sublicensable, irrevocable, paid-up license to practice or have practiced such Patentable Invention for government purposes.
- B. A State Confirmatory License (attached) will be executed by the University to provide said license to any such Patentable Invention, within ninety (90) days after filing of patent application.
- C. University shall file, prosecute and maintain a patent application claiming a Patentable Invention described in paragraph A above within two years of disclosure of a Patentable Invention to University by inventors and will diligently pursue broad application of such Patentable Invention. If State notifies University of a need that is not being met by University, University will take steps to meet such need or will offer sufficient field-of-use rights to State to address such unmet need.
- D. If University decides not to file a patent application within such two-year period or decides to abandon a patent or patent application claiming such Patentable Invention, and determines that it does not intend to pursue commercialization of such Patentable Invention, then University will notify the State in sufficient time to preserve patent rights, and upon State agency request, University agrees to assign title to State, subject to requirements of law, outstanding rights in third parties, and a reserved right to use the Patentable Invention for educational and research purposes and to allow other educational and nonprofit institutions to do so.
- E. Copyrightable works that may be patentable are also subject to the Patent Rights clause, which will take precedence in case of a conflict.

### **3. Travel**

Exhibit C, section 13.C is replaced in its entirety as follows:

#### **C. Travel Approval Requirements**

- 1) Pre-Approved Travel: The Budget shall identify all travel and the costs of travel, including travel by subawardees, and shall itemize the rate, estimated cost and destination of the travel. The Budget Justification and/or Scope of Work shall identify the travelers and purpose of the travel. Travel identified in this manner is considered approved upon execution and approval of the Agreement.
- 2) Prior Approval Required: Travel that is: 1) identified as non-pre-approved travel; or 2) not identified in the Budget and/or Scope of Work shall require prior written (including fax or email) authorization from the State Contract Project Manager. The need for actual travel not identified in the proposed Budget and/or Scope of Work must be justified and all technological avenues of communication (e.g., teleconferencing, videoconferencing, or web conferencing) must be explored before travel will be approved.

#### 4. Equipment

If this Agreement is awarded as a grant (instead of a contract), then Exhibit C, section 14.B.1) is replaced in its entirety as follows:

“Equipment” means any products, objects, machinery, apparatus, vehicles, implements or tools purchased, used or constructed within the Agreement, having a useful life of at least one year, an acquisition unit cost of at least \$5,000, and purchased in whole or part with Energy Commission funds.

During the Agreement term, the University shall use the Equipment for this Agreement. The University shall be solely responsible for the possession, use, storage, and maintenance of the Equipment, for maintaining appropriate insurance on the Equipment sufficient to cover its replacement value in case of loss, and for complying with any and all laws, including environmental laws, applicable to the Equipment.

Equipment, which is purchased in whole or in part with Commission funds, may not be claimed as Match Funds. Likewise, Match Funds used for the purchase of equipment may not be claimed for reimbursement with Energy Commission funds.

As between the Energy Commission and the University, legal title to Equipment acquired by the University shall vest in the University. With the exception of pre-existing UCC-1 blanket liens during the Agreement term, the University shall not further encumber or sell the Equipment except for the sole purpose of using the proceeds of such sale or encumbrance for the direct benefit of this Agreement’s activities. In such circumstance, the University shall provide written notice to the State’s Contract Project Manager of such proposed sale or encumbrance at least 30 days in advance of any sale or encumbrance, stating the purpose of the sale or encumbrance, and specifying the amount, how the amount equates with the reasonable value of the Equipment, and how the proceeds of the sale or encumbrance will be used for this Agreement.

It is understood and agreed that this Section shall survive the completion or termination date of this Agreement for any reason.

#### 5. Direct Labor and Fringe Benefits not capped.

The following language is added to **Exhibit C, section 14 Payment and Invoicing**, Part A. Reimbursement, subitem 3):

The rates in Exhibit B, Budget, for Direct Labor and Fringe Benefits are treated as estimates and not capped rates. The Recipient can invoice at higher rates as long as it is only invoicing for actual expenditures it has made. However, the Recipient cannot invoice and be paid for more than the total amount in each Budget Category without an amendment, or for more than the total Agreement amount.

For individual invoices seeking reimbursement for (i) material and supply costs in excess of \$5,000, or (ii) equipment costs in excess of \$100,000, the State may request and University will supply documentation to show that the rates charged for such materials/supplies and/or equipment reflect actual costs incurred.

## **6. Indirect Costs.**

**The following language is added to Exhibit C, section 14 Payment and Invoicing, Part A. Reimbursement, subitem 4):**

For any of the 10 University of California (UC) campuses and the UC Office of the President, whether funds are received through a prime award from the CEC or through a subaward from another UC location, the maximum indirect cost rate allowable under this Agreement is 25% of Modified Total Direct Cost (MDTC).

In the event that CEC is acting as a Pass-Through Entity of federal funds (as defined at 2 CFR §200.1), and Recipient is considered a federal Subrecipient (in accordance with 2 CFR §200.331 and in CEC's sole determination), then Recipient may recover its federally approved indirect cost rate. A copy of the Federal agency's rate agreement must be provided. This rate will typically shift annually, and this shift is generally acceptable. This is the only Indirect Cost option that is not strictly subject to the max rate cap that typically applies to Indirect Costs. If the federal rate decreases from year to year, that will be a cost savings under this budget category. If the federal rate increases from year to year, this will require a budget reallocation. If the Energy Commission, in its sole discretion, determines that a budget reallocation to accommodate an increased Indirect Rate would risk the ultimate success of the project, or is otherwise not in its best interest, the Energy Commission reserves the right to either propose a smaller increase that would not risk the ultimate success of the project, or refuse to increase the Indirect Rate. For any increase the Energy Commission will not reimburse from CEC Funds, the Recipient or federal Subrecipient may choose to charge the increase as Match Funds.

## **7. Rounding**

**The following language is added to Exhibit C, section 14 Payment and Invoicing, Part A. Reimbursement:**

- 6) The only exception to the CEC paying actual expenses is rounding to the nearest cent. Recipient, Subrecipients, and each lower-tiered level of Sub-Subrecipients shall round invoiced amounts to the nearest cent (\$0.01) using standard rounding, which is rounding down for \$0.000 through \$0.004, and rounding up for \$0.005 through \$0.009. Rounding cannot be used to exceed the amount in any Budget Category or exceed the total Agreement amount.

## 8. Invoicing

**Exhibit C, section 14 Payment and Invoicing, Part C. Invoicing, paragraphs 3) and 4) are replaced with the following:**

- 3) Recipient shall use the Invoice Template substantially similar to the template attached as Appendix 1 to this Exhibit G – or available at [energy.ca.gov/files/training-invoice-template](https://energy.ca.gov/files/training-invoice-template), [energy.ca.gov/files/standard-invoice-template](https://energy.ca.gov/files/standard-invoice-template).
- 4) Recipients are not required to submit products such as progress reports with invoices.

## 9. No Payment for Late Final Invoice

**Exhibit C, section 14.C.5 is replaced in its entirety as follows:**

The University shall submit the final invoice to the State, no later than ninety (90) calendar days after the Agreement completion date. However, in the event that University contacts the Energy Commission in anticipation of a reasonable and foreseeable delay, the Commission and University may agree upon an extension period for submission of such final invoice, subject to legislative funding reversion dates. If the University does not submit the final invoice within the 90-day required time period (or a greater period of time as agreed to by the Energy Commission in its sole and absolute discretion), in addition to any other rights and remedies available to the Energy Commission, the University will not receive payment.

It is understood and agreed that this Section shall survive the completion or termination date of this Agreement for any reason.

## 10. Prior Approval Requirements

**Exhibit C, section 15 (A) is replaced in its entirety as follows:**

### A. Prior Approval Requirements

The following changes require prior approval of the State Contract Project Manager. Such approval can be requested and granted simply through an email communication or other form of written communication:

#### 1) Change in Key Personnel

Recipients may be reimbursed for actual expenses incurred by new "key personnel" during the term of the Agreement, even if written approval comes after an individual begins work on the project. However, if the replacement is not approved, then the Energy Commission will not reimburse for any expenses charged for the individual. Accordingly, Recipients are strongly encouraged to obtain **advance** written approval for "key personnel" or risk not being reimbursed for their work. Recipient must keep the CAM informed of personnel changes through monthly calls and quarterly progress reports.

The assignment of new personnel to an existing job classification does not require prior approval from the CEC.

The promotion of existing personnel to an existing job classification does not require prior approval from the CEC.

In addition to any other rights and remedies available to the CEC, the Energy Commission retains its authority to issue a Stop Work Order if it becomes clear that a Recipient or Subrecipient's personnel, key or otherwise, are unable to fulfill their responsibilities under the Agreement.

- 2) Inclusion of restricted use data or copyrighted works in Deliverables
- 3) Travel not included in the approved Budget  
Travel taken that is not listed in Exhibit B, the Budget, or not pre-approved by the CAM in writing, is at the Recipient's own financial risk. The CAM might not approve the trip as part of invoice review. Please note that the Recipient cannot invoice and be paid for more than the total amount in the Travel Budget Category without an amendment, or for more than the total Agreement amount.
- 4) New Items under Materials and Miscellaneous of \$5,000 or more, or new Equipment  
The CAM must approve in writing of any new materials and miscellaneous expenses of \$5,000 or more or new equipment the Recipient plans to purchase and be reimbursed under this Agreement that is not already listed in Exhibit B, Budget. To accomplish this, the Recipient can submit either prior to invoicing or with its invoice a completed form titled "NEW EQUIPMENT/M&M FORM" which includes a description of the item and a brief explanation of the need for the item. The CAM will approve items that he or she determines to be necessary to the Agreement and do not exceed budgeted amounts for each Budget Category unless Recipient follows the processes in section 11 "Budget Flexibility" directly below.  
Any restrictions in the solicitation or elsewhere in the Agreement still apply to the specific items under Materials and Miscellaneous, and Equipment that can be purchased using CEC Funds or Match Share Funds. The restrictions still apply even though the CAM does not have to approve new materials and miscellaneous expenses under \$5,000.
- 5) Computer (or theft sensitive equipment) not included in the approved Budget
- 6) Substitution or addition of Subrecipients
- 7) Match Fund Timing. A CAM may authorize, in writing, a Recipient to spend CEC funds in advance of Match Funds pursuant to a Match Fund Spending Plan. The Plan must estimate how Match Funds and CEC funds will be spent over each quarter and briefly explain why it is not practical to spend Match Funds concurrent with CEC Funds. While These Terms allow additional flexibility, the Recipient agrees to spend the agreed match funds as soon as practicable during the Agreement in order to resume proportionality between CEC funds and Match funds spent.

## **11. Budget Flexibility**

**Exhibit C, section 15 (B)** is replaced in its entirety as follows:



No CEC approval is needed for a Recipient, Subrecipient, or any lower-tiered level of Sub-Subrecipient to move funds **within** each of the following Budget Categories listed in the Exhibit B: Direct Labor, Fringe Benefits, Travel, Equipment, Materials and Miscellaneous, Subrecipients, and Indirect Costs. (However, any new M&M, Equipment, Subrecipient or Vendor not listed in the budget does need to be approved prior to reimbursement.)

If the Recipient, Subrecipient, or any lower-tiered level of Sub-Subrecipient wants to move funds between Budget Categories or submits an invoice that if paid would exceed a Budget Category, they have at least the following choices:

- 1) Request an amendment from the CEC. The CEC will not pay the invoice if and until an amendment is approved, except possibly for the final invoice per section 11.3 below. In its sole discretion, the CEC might pay the portion of the invoice that does not involve the amount that goes beyond the Budget Category.
- 2) Retract the invoice and resubmit a corrected one that keeps within Budget Categories. The Recipient can treat the amount paid beyond the Budget Category as match funds if the expenditure meets all of the applicable Agreement requirements for match funds.
- 3) If there is a Budget Category overage on the final invoice, the Recipient can discuss with the CAM if the invoice can be approved without needing the amendment in section 11.1 above. The CAM will require a written justification for the budget category overage to determine if the invoice can be approved.

All Budget Amendments are reviewed and approved according to “Changes to Grants - Level of Approval and Notification Chart” commonly referred to as the “Changes Chart.”

This new flexibility does NOT mean the Recipient can exceed the overall Agreement amount.

## 12. Default disclaimer on publications.

Exhibit C, section 17.C is replaced in its entirety by the following:

C. At the State’s sole discretion, the State will require the University to use one or more of the following disclaimers in any publication, presentation or other public release:

- 1) “This project was funded by the California Energy Commission. The contents may not necessarily reflect the official views or policies of the State of California.”
- 2) “**Legal Notice:** This document was prepared as a result of work sponsored by the California Energy Commission. It does not necessarily represent the views of the Energy Commission, its employees, or the State of California. The Energy Commission, the State of California, its employees, contractors, and subcontractors make no warranty, express or implied, and assume no legal liability for the information in this document; nor does any party represent that the use of this information will not infringe upon privately owned rights. This report has not been approved or disapproved by the Energy Commission nor has the Energy Commission passed upon the accuracy of the information in this report.”

Unless otherwise directed in writing by the State’s Contract Project Manager, the University shall use the disclaimer in Section 6.C.1 above.

It is understood and agreed that this Section shall survive the completion or termination date of this Agreement for any reason.

### **13. Match Funds**

If the Agreement budget includes a Match Funds requirement, University's commitment of resources, as described in this Agreement, is a required expenditure for receipt of Energy Commission funds. Agreement funds will be released only if the Match Funds are expended according to the Budget. University must maintain accounting records detailing the expenditure of the Match Funds (actual cash and in-kind services).

### **14. Additional Subaward Flow-Down Terms**

Exhibit C, section 11.A is replaced in its entirety as follows:

- A. The University will perform the work contemplated with resources available within its own organization and no portion of the work shall be subawarded except for Subawards expressly identified in the proposal, the Scope of Work or the Budget, or any amendments to the foregoing. The University will incorporate into any Subaward for work identified in this Agreement all provisions and Exhibits in this Agreement applicable to the particular Subawardee, including, but not limited to the following:
  - 1) Conflict of Interest
  - 2) Confidential Information
  - 3) Budget Contingency
  - 4) Patents (if applicable)
  - 5) Copyrights (if applicable)
  - 6) Data Rights (if applicable)
  - 7) Audits
  - 8) Invoicing and Payment
  - 9) Indemnification
  - 10) Exhibit G and any other Exhibits in this Agreement; and
  - 11) Any other provisions required by statute, regulation or source of funds applicable to this Agreement.

### **15. Notification of Important Occurrences**

The University shall promptly notify the Energy Commission of the occurrence of any of the following connected with or affecting the project:

- A. A requested change of project location.
- B. The existence of any litigation or other legal proceeding affecting the project.
- C. The occurrence of any casualty or other loss to project personnel, Equipment or third parties.
- D. Receipt of notice of any claim or potential claim against University for patent, copyright, trademark, service mark and/or trade secret infringement that could affect the Energy Commission's rights.

### **16. Incorporation of Application and Solicitation**

If this Agreement resulted from an Energy Commission competitive solicitation, University's submitted material in response to the solicitation (Application), and the solicitation itself are incorporated by reference into this Agreement. In the event of a conflict between the University's Application, the solicitation and this Agreement, all provisions in this Agreement, including this Exhibit G, shall take precedence.

### **17. California Taxpayer Access to Publicly Funded Research Act**

The following is added to Exhibit C, section 17.D., Terms & Conditions Required for State-Funded Research Grants:

- 5) The University shall ensure that any publishing or copyright agreements concerning Peer-Reviewed Manuscripts:
  - a) Do not conflict with the Energy Commission's rights under this Agreement; and
  - b) Shall not alter any Energy Commission rights provided under this Agreement.

The Act states that "Grantees are authorized to use grant money for publication costs, including fees charged by a publisher for color and page charges, or fees for digital distribution." University agrees that for purposes of this Agreement, the University is only authorized to use funds under this Agreement, including Matching funds, for these purposes **if the expenses are included in the Agreement's Budget and meet the other Agreement requirements for payment, including that the Commission will only reimburse the University for expenditures incurred during the Agreement term. If these expenses are not included in the Budget, both parties must agree and amend the Budget to include such expenditures before University is authorized to use Agreement funds, either reimbursable expenses or match, for these purposes.**

**18. The following provision will modify Section 7 of Exhibit C, to be additional to the existing language in Section 7:**

**Executive Order N-6-22- Russia Sanctions**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

**19. Definitions – the following additional definitions are added to Section 1 of Exhibit C.**

- A. **California Energy Commission, Energy Commission, Commission, or CEC** means the State Energy Resources Conservation and Development Commission.
- B. **Match Funds** means cash or in-kind (non-cash) contributions shown in the approved budget, Exhibit B, and provided by University, Subawardee, or other parties that will be used in performance of this Agreement.
- C. **Match Fund Partner** means an entity providing Match Funds that does not receive any Commission funds.

D. **CAM** means Commission Agreement Manager.

## **20. Royalty Payments to the Energy Commission (Applicable Only to Natural Gas Agreements)**

- A. In consideration of the Commission providing funding to the University, University agrees to pay the Commission a portion of either Net Revenues or Net Royalties under the terms and conditions hereinafter set forth. If federal funds are used in the conception or reduction to practice of a Subject Invention, such Net Revenues or Net Royalties shall be used by the State in a manner consistent with Title 35 United States Code (USC), Section 202, subdivision (c)(7) to the extent this USC Section applies).
- 1) Net Royalties. The University's obligation to make payments to the Commission shall commence from the date that the Net Royalties calculation is positive and extend until ten (10) years from the Agreement's end date. Payments are payable in annual installments and are due the first day of March for Net Royalties calculation made for the University's prior fiscal year. University agrees to pay to Commission an amount equivalent to 10% of the total cumulative Net Royalties, less payments made by University to Commission in previous years when Net Royalties were positive. Payments shall be made by check and made payable to the California Energy Commission.
  - 2) Net Revenues. If the University is the Licensee, the University's obligation to make payments to the Commission shall commence upon the first Sale of the Licensed Product. Payments are payable in annual installments and are due the first day of March for the prior fiscal year of the University and extend until ten (10) years from the Agreement's end date. University agrees to pay an amount equivalent to 1.5% of the Net Revenues by check made payable to the California Energy Commission.
- B. If a Licensed Product was developed in part with Match Funds during the Agreement term, the Net Royalty payments will be reduced in accordance with the percentage of such development activities that were funded with Match Funds. For example, if 20% of the development activities were funded with Match Funds during the Agreement and total cumulative Net Royalties equaled \$100,000 in one year, the University would owe the Energy Commission \$8,000 for the year (10% of \$100,000 = \$10,000; 80% of \$10,000 = \$8,000 (the 80% coming from 100% - 20% in match funds)).

If the Energy Commission is providing funds to the University under this Agreement as a project match partner and Energy Commission funds are used in part to develop a Licensed Product, the Net Royalty payments will be reduced in accordance with the percentage of such development activities that were funded with non-Energy Commission funds during the Agreement term. For example, if 80% of the development activities were funded with University and/or third party funds during the Agreement and Net Royalties totaled \$100,000 in one year, the University would owe the Energy Commission \$2,000 for the year (10% of \$100,000 = \$10,000; 20% of \$10,000 = \$2,000 (the 20% coming from 100% - 80% in match funds)).

- C. Unless the University makes an early buyout, total Net Royalty or Net Revenue payments will be limited to three (3) times the amount of funds paid by the Energy Commission under the Agreement. The University may make an early buyout payment to the Energy Commission without a pre-payment penalty, as an alternative to making annual royalty payments for ten (10) years following the Agreement's end date. The payment must be in a lump sum amount equal to one and a half (1.5) times the amount of funds paid by the Energy Commission under the Agreement and made within five (5) years of the Agreement's end date. The payment amount due under the early buyout option will not be reduced by the percentage of Match Funds as described above.
- D. University agrees not to make any Sale, license, lease, gift or other transfer of any Project Data, Subject Invention, copyrightable work or Licensed Product with the intent of, or for the purpose of, depriving Commission of Net Royalties or Net Revenues hereunder. Generally, this means that the University will not make any Sale, license, lease or other transfer of Project Data, Subject Invention, Copyrightable Work or Licensed Product for consideration other than fair market value except for research, educational, or other mutually agreed to purposes intended to serve the public benefit.
- E. University shall maintain separate accounts within their financial and other records for purposes of tracking royalties and revenues due to the Commission under this Agreement.
- F. Audits on Payments to Commission. Payments to the Commission are subject to the audit clause, Exhibit C, section 15.
- G. Defaults. In the event of default hereunder, the Commission shall be free to exercise all rights and remedies available to it herein, and under law and at equity. University's failure to pay when due, absent any prior written authorization by the Commission to delay payment, any amount due and payable under the terms of this Agreement constitutes a default under this Agreement.

## 21. Additional Definitions (Applicable Only to Natural Gas Agreements)

- A. **California Based Entity (CBE)** is a corporation or other business form organized for the transaction of business that either:
  - Has its headquarters in California AND manufactures in California the product that is the subject of the award; OR
  - Has an office for the transaction of business in California AND substantially manufactures the product or substantially performs the research within California that is the subject of the award.
- B. **Funds Spent in California** means: (1) Funds under the "Direct Labor" category and all categories calculated based on direct labor (Prime and Subcontractor Labor Rates) are paid to individuals who pay California state income taxes on wages received for work performed under the agreement; and (2) Business transactions (e.g., material and equipment purchases, leases, rentals, and contractual work) are entered into with a business located in California. For funds not considered "spent in California," please refer to the definition stated in the associated solicitation under which this agreement was awarded.
- C. **Licensed Product** means any product commercialized by a Licensee that embodies or utilizes Project Data, a Subject Invention, or copyrightable work.

- D. **Licensee** means the organization (or its affiliates, joint venture or sublicensee) that is granted commercial rights to Project Data, a Subject Invention or copyrightable work to develop any of these into a commercial product that is made available to the public in the marketplace or otherwise Sold.
- E. **Net Revenues** means the total of the gross invoice prices of Licensed Product Sold, less the sum of the following actual and customary deductions where applicable: cash; quantity discounts; sales, use, tariff, import/export duties or other excise taxes imposed upon particular Sales; transportation charges; and allowance or credits to customers because of rejections or returns.
- F. **Net Royalties** means gross licensing income, including royalties and fees, received by University from a Licensee as consideration for commercially licensing any Subject Invention, copyrightable work, or Project Data, less the following:
- 1) Legal or other direct expenses (that are not otherwise reimbursed under an option or license agreement from a third party) of patenting, protecting and preserving patent, copyright and related property rights, maintaining patents and other such costs, taxes, or reimbursements as may be necessary or required by law, except patent infringement expenses;
  - 2) Inventor or author shares in accordance with University's, patent or copyright policy; and
  - 3) Direct expenses include operating expenses of University which are customarily reimbursed by royalty payments.
- Net Royalties do not include any payments to joint holders nor research funding accepted by University or a Subcontractor in association with an option or licensing agreement. Net Royalties shall be aggregated cumulatively, over time for each disclosed Subject Invention, copyrightable work, or Project Data.
- G. **Ownership** means exclusive possession and control of all rights to property, including the right to use and transfer property.
- H. **Sale** means the act of selling, leasing or otherwise transferring, providing, or furnishing for use for any consideration.
- I. **Sell** means to make or cause to be made a Sale.
- J. **Sold** means to have made or caused to be made a Sale.
- K. **Sales Price** means the price at which Licensed Product is sold, excluding sales tax.
- L. **Subject Invention** means any patentable invention or discovery that is either:
- 1) Conceived and first actually reduced to practice (actually reduced to practice or constructively reduced to practice by the filing of a patent application) in the performance of the Scope of Work;

- 2) Conceived in the performance of the Scope of Work and first reduced to practice in the performance of the Scope of Work conducted under this Agreement or within forty-two (42) months after the completion of the Scope of Work; or
- 3) Conceived prior to the effective date of this Agreement or conceived without Energy Commission funds and reduced to practice in the performance of the Scope of Work, provided that such conception is not encumbered by any obligations owed to a third party other than the U.S. Government.

## **22. Generative Artificial Intelligence**

For contracts between CEC and any UC or CSU, the following terms apply:

- A. During the term of the contract, Contractor must notify the State in writing if their services or any work under this contract includes, or makes available, any previously unreported GenAI technology, including GenAI from third parties or subcontractors. Contractor shall immediately complete the GenAI Reporting and Factsheet (STD 1000) to notify the State of any new or previously unreported GenAI technology.
- B. At the direction of the State, Contractor shall discontinue the use of any new or previously undisclosed GenAI technology that materially impacts functionality, risk or contract performance, until use of such GenAI technology has been approved by the State.
- C. Failure to disclose GenAI use to the State and submit the GenAI Reporting and Factsheet (STD 1000) may be considered a breach of the contract by the State at its sole discretion and the State may consider such failure to disclose GenAI and/or failure to submit the GenAI Reporting and Factsheet (STD 1000) as grounds for the immediate termination of the contract. The State is entitled to seek any and all relief to which it may be entitled to as a result of such non-disclosure.
- D. The State reserves the right to amend the contract, without additional cost, to incorporate GenAI Special Provisions into the contract at its sole discretion and/or terminate any contract that presents an unacceptable level of risk to the State.

## License to the State of California Attachment

Invention Title: \_\_\_\_\_

Inventor(s): \_\_\_\_\_

Patent or Application Serial No.: \_\_\_\_\_ US Filing/Issue Date: \_\_\_\_\_

Grant/Contract Identification Number(s): \_\_\_\_\_

Foreign Application filed/intended in (countries): \_\_\_\_\_

The invention identified above is a Subject Invention under the Patent Rights – University clause which is included among the terms of the above-identified grant/contract award from the State of California. Subject to the requirements of federal funds, if any, this document is confirmatory of:

1. The nonexclusive, sublicensable, irrevocable, paid-up license to practice or have practiced for government purposes the invention described in any patent application and in any and all divisions and continuations, and in any and all patents and re-issues granted thereon throughout the world; and
2. All other rights acquired by the State by reason of the above identified grant/contract award and the laws and regulations which are applicable to the award.

The State is hereby granted the power to inspect and make copies of the above-identified patent application.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

By \_\_\_\_\_

Name and Title \_\_\_\_\_

For \_\_\_\_\_  
(Organization)

At \_\_\_\_\_

\_\_\_\_\_  
(Business Address)