

## **GAS RESEARCH AND DEVELOPMENT PROGRAM INFORMATION**

### **1. What is the Gas R&D Program and why was it created?**

The California Energy Commission's Gas R&D program was created by the California Public Utilities Commission (CPUC) in August of 2004 to support investments in improving gas energy efficiency and environmental equality, develop renewable technologies, and otherwise provide benefits to the public. The Gas R&D Program focuses on identifying and addressing emerging gas related trends that are important to California's energy future. These trends include opportunities to reduce statewide gas consumption through energy efficiency and the increased use of gas alternatives, such as biomethane and renewable hydrogen. The plan also addresses California's transportation system using more decarbonized gas to reduce carbon emissions. Furthermore, the program coordinates with the CPUC to respond to critical research issues, such as methane emissions, air quality, gas pipeline integrity and safety, and the gas system. The Gas RD&D program funds research that:

- Stimulates California's economic growth by attracting and developing businesses and creating and supporting jobs.
- Achieves long-term benefits to investor-owned utility (IOU) gas ratepayers by developing technologies and products that provide clean, diverse, and environmentally sound energy systems.
- Provides safe, reliable gas services by conducting research that focuses on the integrity and safety of the gas infrastructure.

### **2. How much funding is available for the Gas R&D Program?**

Each year, the Energy Commission submits a proposed program plan and funding request to the CPUC for review and approval. For fiscal year 2022-23, the proposed research funding is \$24 million, including program administration, and the budget plan covers the period from July 1, 2022, through June 30, 2023.

### **3. Who is responsible for administering the Gas R&D Program?**

In 2004, the CPUC issued Decision 04-08-010, which designated the Energy Commission as the administrator for the research funds. All funds will be administered under CPUC oversight.

### **4. What kind of ratepayer benefits will the Gas R&D Program provide?**

There are three primary California ratepayer benefit categories identified for the Gas RD&D program: economic, environmental, and security. Economic benefits include lower energy bills and lower gas system and infrastructure costs. Environmental benefits include reduced impact from global climate change, reduced health risks related to poor indoor and outdoor air quality, improved infrastructure safety and integrity, and a smaller environmental impact from energy generation. Security benefits include the development and maintenance of a reliable and safe gas production and delivery system. Additional benefits are expected from Gas RD&D projects but vary significantly based on the specific subject of the project.

### **5. How is the Gas R&D Program funded?**

The Gas R&D Program is funded by an IOU ratepayer surcharge on all gas consumed in California (see California Public Utilities Code section 890).

## **KEEPING UP TO DATE WITH GAS R&D**

### **1. Where can I find more information on the Energy Commission's planned investments for the Gas R&D Program?**

In March of each year, the Energy Commission submits a proposed program plan and funding request to the CPUC for review and approval. Projects funded by the Energy Commission are consistent with the annual budget plans and policy objectives approved by the CPUC. Annual reports detailing the research, development, and demonstration activities approved in the budget plans are submitted by October 31 for each fiscal year. For instance, the Gas Research and Development 2023 Annual Report describes natural gas research, development, and demonstration program and highlights projects from July 1, 2022, to June 30, 2023, as required by the CPUC Decision 04-08-010. Find annual reports and proposed program plan and funding requests at: <https://www.energy.ca.gov/data-reports/reports/energy-research-and-development-investment-plans-and-annual-reports>.

### **2. Where can I find information about current Energy Commission Gas R&D Program funding opportunities?**

A list of open Energy Commission solicitations is available at:  
<https://www.energy.ca.gov/funding-opportunities/solicitations>.

### **3. What is the anticipated schedule for Energy Commission Gas R&D funding opportunities?**

A tentative schedule of upcoming funding opportunities is available at:  
<https://www.energy.ca.gov/funding-opportunities/solicitations>. Select the box next to “Anticipated/Upcoming” under “Filter by Status” on the right side of the page.

### **4. How do I stay informed about the Gas R&D Program?**

The Gas Research and Development Program subscription will provide notification of upcoming workshops, posted documents, and other activities related to Gas R&D. Interested parties can sign up for the Gas Research and Development subscription by visiting the Energy Commission's subscription homepage at: <https://public.govdelivery.com/accounts/CNRA/signup/31719>. The Energy Commission's Solicitations and Awards Announcements Only subscription, at the same link, will provide notification of all Energy Commission funding opportunities, including those for the Gas R&D Program.

## **HOW TO APPLY FOR GAS R&D FUNDING OPPORTUNITIES**

### **1. What is the general solicitation process timeline?**

Gas R&D funding opportunities are developed in accordance with the CPUC-approved Gas R&D budget plans and are released throughout the year. Energy Commission staff provide a Pre-Application Workshop and an opportunity to submit written questions prior to the application

deadline for each solicitation. Information on solicitation requirements, workshop dates, and the application due date can be found in the Solicitation Manual and are specific to each solicitation.

### **Solicitation Release, Pre-Application Workshop, and Written Questions and Answers**

Generally, a pre-application workshop will be held approximately 2 weeks after the solicitation is released, marked by the posting of the solicitation materials on the Energy Commission's Solicitation webpage at <https://www.energy.ca.gov/funding-opportunities/solicitations>. This workshop provides an opportunity for applicants to hear Energy Commission staff describe the purpose and requirement of the solicitation and ask questions. Interested applicants should carefully review the solicitation materials and all deadlines that are posted and submit any questions in writing to the Commission Agreement Officer (CAO) listed. [See question 3 for additional information about the pre-application workshop]. Staff will prepare written responses to the questions asked at the workshop and those submitted in writing by the deadline specified in the solicitation materials. These will be posted on the solicitation website and emailed to those on the Gas Research and Development Program and Solicitations and Awards Announcements Only subscription lists. Once the deadline for submitting questions has passed, staff will not respond to comments or questions outside the public process that could potentially give an applicant an unfair advantage over others. However, if an applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation, the applicant should immediately notify the CAO of the error in writing and request modification or clarifications by written notice to all parties who requested the solicitation without divulging the source of the request for clarification. Applicants can also submit administrative-related questions (such as questions on completing forms) to the CAO, up until the point that applications are due. If there are any addenda to the solicitation, they will be posted and emailed out to the subscription lists, as necessary.

### **Application Development**

Applications are typically due approximately 6-8 weeks after the release of the solicitation. Applicants should review all solicitation materials, including any addenda that are posted to the solicitation page, and organize their applications and provide all necessary forms, according to the requirements listed. Applications **MUST** be submitted to the Energy Commission no later than the specified date and time provided in the solicitation materials. There are **NO** EXCEPTIONS to this.

### **Evaluation and Awards**

After the deadline for application submissions has passed, Energy Commission staff will screen applications for administrative requirements. Applications that pass this initial screening are submitted to an Evaluation Committee who will review and score them according to a set of criteria that is detailed in the solicitation materials. After being scored, applications will be ranked, and those with the highest ranked scores will be recommended for a proposed award based on available solicitation funding. The Notice of Proposed Award (NOPA) is posted approximately 4 months after the solicitation is released. The NOPA will list all proposals in rank

order, starting with the highest-scoring applications. It will also identify which projects will be recommended for funding at an Energy Commission business meeting.

### **Agreement Development and Execution**

As many factors impact agreement development, the timeline for development will vary for each agreement. However, in general, Energy Commission staff will coordinate with the recipient to finalize the agreement documents within the month following the release of the NOPA. Time is of the essence, and the Energy Commission reserves the right to cancel the pending award if they are unsuccessful in executing an agreement. Funding may be offered to the next highest-ranked eligible applicant and the NOPA amended, if necessary. Projects recommended for funding in the NOPA/Amended NOPA will be considered for approval by Commissioners at an Energy Commission Business Meeting. Once the agreement has been executed by all parties, the work can begin. The process typically takes approximately 9-10 months from the release of the solicitation until the agreement is completely executed.

#### **2. How is the solicitation information released?**

When a solicitation is released, all informational materials are posted to the Energy Commission's website. An email notification is also sent to the individuals who are subscribed to Gas Research and Development Program or Solicitations or Awards Announcements Only subscription list. These and other subscriptions can be found at:

<https://public.govdelivery.com/accounts/CNRA/signup/31719>. All questions and comments regarding the solicitation must be directed to the Energy Commission Agreement Officer (CAO) li manual.

#### **3. What is the pre-application workshop?**

The pre-application workshop will review the purpose and requirements of the solicitation and give attendees an opportunity to ask clarifying questions. Information including date, time, and participation instructions are contained in the solicitation materials. These documents will also be posted on the Energy Commission's website at: <https://www.energy.ca.gov/funding-opportunities/solicitations>.

#### **4. How can I find project partners?**

Interested parties are encouraged to sign up as Empower Innovation members at <https://www.empowerinnovation.net/> and create (or join) their organization's profile. They can then click "Find a Partner" at the top of the webpage for a particular funding opportunity to show their interest in this opportunity and to view and message other interested members.

#### **5. Who is eligible to apply for Gas R&D funding?**

Generally, individuals, as well as public and private entities within the United States, are eligible to apply for Gas R&D funding. Specific eligibility requirements will be listed in individual solicitation materials. Any agreement resulting from a solicitation will include terms and conditions that recipients are required to abide by. Failure to agree to these terms and conditions will result in disqualification of the application. These terms and conditions are available on the Energy Commission's website at <https://www.energy.ca.gov/funding->

[opportunities/funding-resources](#). Any entities that conduct intrastate business in California and are required to register with the California Secretary of State must be registered and in good standing prior to entering into an agreement with the Energy Commission. Information on registration can be found on the Secretary of State's website at: <http://www.sos.ca.gov/>.

**6. What types of projects are eligible for funding?**

Each solicitation will specify which types of projects are eligible for funding. Research project must demonstrate the potential to benefit California gas ratepayers, such as reduced use of gas without increasing greenhouse gas emissions. Projects that have both gas and electric savings may be eligible, but the predominant savings must be for gas. Electrification projects are not eligible, but they may be eligible for solicitations under the Electric Program Investment Charge (EPIC) program administered by the Energy Commission.

**7. What should be included in my application package?**

Applications must be submitted in the format and order specified in the solicitation. Typically, applications are required to submit the following application elements:

- Application Form
- Executive Summary
- Project Narrative
- Project Team Form/Resumes
- Scope of Work/Schedule of Products and Due Dates
- Budget for the prime and subcontractor(s) per the workbook requirements
- CEQA Compliance
- References and Work Products
- Commitment and Support Letters
- Project Performance Metrics
- Applicant Declaration
- California Based Entities (CBE) Form

**8. What is the typical application format?**

Applicants should refer to the "Application Organization and Submission Instructions" section of the solicitation materials, so that they know what will be required for that specific solicitation. Because the requirements may vary from solicitation to solicitation, applicants should take care in addressing each of these requirements or risk being disqualified. Applications that are difficult to read, incomplete, or do not meet the solicitation format requirements may be rejected.

**9. How do I submit my application?**

The only method of submitting applications is via electronic submission. The online tool allows applicants to submit their electronic documents to the Energy Commission prior to the date and time specified in the solicitation manual. Electronic files must be in Microsoft Word XP (.doc format) or newer and Excel Office Suite formats unless originally provided in the solicitation in another format.

The deadline to submit grant applications is 11:59 p.m. on the date listed in the solicitation manual. The system automatically closes at 11:59 pm. If the full submittal process has not been completed before 11:59 p.m., the application will not be considered. Applicants should read the requirements and specifications in the solicitation materials for how to submit applications. Only authorized representatives are allowed to sign an application. Applications will not be accepted after the date and time specified in the solicitation - no exceptions. The Energy Commission strongly encourages Applicants to upload and submit all applications by 5:00 p.m., because Commission staff will not be available after 5:00 p.m. or on weekends to assist with the upload process.

## **APPLICATION EVALUATION CRITERIA**

### **1. How will my application be evaluated?**

Solicitations are reviewed and evaluated in two stages, Application Screening and Application Scoring. Below are typical criteria; however, applicants should read the requirements and criteria of the specific solicitation manual.

#### **Stage One: Application Screening**

Energy Commission staff screens applications per criteria listed in the solicitation materials under “Application Screening”. Criteria are evaluated on a pass/fail basis. Applicants that do not pass all screening criteria will be disqualified. Reasons for Failing Stage One, include but may not be limited to:

- The application is not submitted by the specified due date and time.
- The application is not signed.
- The applicant did not address at least one of the eligible funding areas.
- If applicable, the applicant did not meet the minimum match funding requirement.

#### **Stage Two: Application Scoring**

Applications that pass Stage One Application Screening criteria will be scored by an Evaluation Committee. Sample Application Scoring Criteria:

1. Technical Merit and Need - justifies the need for Gas R&D funding, explains how the project will lead to technological breakthroughs and overcome barriers to achieving state goals, and provides a plan for measuring benefits as stated in the project goals.
2. Technical Approach - describes how tasks will be coordinated among team members, and how the project will be coordinated among the team.
3. Impacts and Benefits for California Gas IOU Ratepayers - explains how the proposed project will benefit California Investor-Owned Utility (IOU) gas ratepayers (e.g., lower costs, and/or increased safety; also identifies the benefits and timeframe for achievement.
4. Team Qualifications, Capabilities, and Resources - describes the team members' education and experience and demonstrates the applicant's financial ability to complete the project.
5. Budget and Cost-Effectiveness – assesses whether the budget for this project is reasonable, including non-labor costs.

6. Gas R&D Funds Spent in California - While there is no minimum amount of funding that must be spent in California, applicants that demonstrate spending 60 percent or more in-state will receive points in this section during the scoring.
7. Ratio of Direct Labor and Fringe Benefit Rates to Loaded Labor Rates – compares the direct labor rates (including fringe benefits) to the total loaded rates which include direct labor, fringe benefits and indirect rates such as overhead, General and Administrative or profit. This criterion is meant to encourage prudent spending of public funds and applicants with higher indirect rates will receive lower scores.
8. Match Funding (if applicable) – Additional points may be provided to applicants that provide match funding that exceeds the minimum amount specified in the solicitation and that meet other requirements in the solicitation.
9. California Based Entities (CBE) Form- Identify any California-based entities as instructed in the form. California-based entities are entitled to a scoring preference as described in the solicitation materials.

To pass, proposals must typically achieve at least 70 percent of the total points for all criteria AND at least 70 percent of the total points available for the first several criteria, as specified in the solicitation manual. An application scoring less than 70 percent of the total points for these criteria will be ineligible for funding.

There may also be preference points added for applications that receive a passing score. For example, preference criteria may be applied for applications providing greater than required match funding and for those demonstrating projects in and benefitting under-resourced communities.

## **2. Can my application be rejected?**

The Energy Commission reserves the right to reject an application. Reasons for possible rejection include, but are not limited to:

- The application contains false or misleading statements.
- The application is intended to mislead the State in its evaluation.
- The applicant is not in compliance with royalty provisions from previous Energy Commission awards.
- The applicant has received unsatisfactory evaluations from the Energy Commission or another California state agency.
- The applicant is a business entity that is not in good standing with the California Secretary of State.
- The applicant has not demonstrated financial capability to complete the project.
- The applicant fails to meet CEQA compliance within sufficient time for the Energy Commission to meet its encumbrance deadline.
- The proposal contains confidential material.
- The applicant has indicated that it will not accept the terms and conditions.

For a more complete list of reasons why an application may be rejected, applicants should refer to the solicitation materials.

### **3. What is the technical scoring scale?**

All responses to the scoring criteria will be evaluated using a scoring scale such as the one below and will be based on the quality and completeness of responses in the application.

- 0% (Not responsive): The response does not include or fails to address the criteria. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
- 10-30% (Minimally responsive): The response minimally addresses the criteria. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
- 40-60% (Inadequate): The response addresses the criteria. There are one or more omissions, flaws, or defects or the criteria are addressed in a limited way that results in a low degree of confidence in the proposed solution.
- 70% (Adequate): The response adequately addresses the criteria. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
- 75% (Between Adequate and Good): Response better than adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
- 80% (Good): The response fully addresses the requirements being scored with a good degree of confidence in the applicant's response or proposed solution. There are no identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
- 85% (Between Good and Excellent): Response fully addresses the requirements being scored with a better than good degree of confidence in the applicant's response or proposed solution. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
- 90% (Excellent): The response fully addresses the criteria with a high degree of confidence in the applicant's response or proposed solution. The applicant offers one or more enhancing features, methods, or approaches that exceed basic expectations.
- 95% (Between Excellent and Exceptional): Response fully addresses the requirements being scored with a better than excellent degree of confidence in the applicant's response or proposed solution. Applicant offers one or more enhancing features, methods or approaches exceeding basic expectations.
- 100% (Exceptional): All requirements are addressed with the highest degree of confidence in the applicant's response or proposed solution. The response exceeds the requirements in providing multiple enhancing features, a creative approach, or an exceptional solution.

### **4. What is a clarification interview?**

If the Scoring Committee believes that the application is unclear, it may request a clarification interview with the applicant. This interview will consist of clarifying questions related to the criterion in question only. New information or changes cannot be added to the application at this point. For example, if an applicant accidentally lists two different numbers for the same item in different places, the Scoring Committee can request the applicant to clarify which number is correct.



**5. How are applications ranked?**

Typically, applications with a score of 70 percent or higher for their overall score are considered to have passed and are ranked by total score. The Scoring Committee will recommend applicants for funding starting from the top of the list (for example: rank 1, 2, 3, etc.) until funds are exhausted. Note: Not all solicitations released under Gas RD&D will have the same points per section. For specific scoring criteria and points by section, refer to the Solicitation Manual.

**6. How will I be notified of the solicitation results?**

The Energy Commission Agreement Officer will send email notifications to applicants informing them of their status, as well as a Notice of Proposed Awards (NOPA) and scoring matrix. NOPAs are also posted on the Energy Commission's funding web page at:

<https://www.energy.ca.gov/funding-opportunities/awards>.

**7. Who can I speak to if I did not receive an award?**

If an application does not pass, or is not awarded funding, the applicant may request a debriefing by contacting the Energy Commission Agreement Officer within 30 days after the NOPA is posted, or as stated in the Solicitation Manual. The purpose of a debriefing is to provide the applicant with information on the strengths and weaknesses of its application. This information could be used to improve applications for future solicitations. However, no other solicitations or applications may be discussed during a debriefing.

## **POST EVALUATION AND SELECTION**

**1. What happens to my application after the selection process?**

After the NOPA is posted, all applications become public and are subject to viewing under the California Public Records Act. Applicants should consider this before they include information in their proposals. Confidential information may not be submitted with an application.

**2. How do I develop my final agreement if my application is selected?**

After the NOPA is posted, potential recipients will be contacted by the Energy Commission's Agreement Manager (CAM) to develop the grant agreement. The Scope of Work and budget forms in the application are finalized, and the project schedule will be updated. At this time, usually only clarifying edits/minor adjustments are made to the scope of work and budget (but no increases to the budget). The only exception is a reduction in scope and budget due to a lesser amount of funding being made available for the project. This can occur when there are not enough funds for a lower-ranked passing project (e.g., funding exists to fully fund the top five ranked projects but only partially fund the sixth-ranked passing project). In these situations, the Commission works with the applicant to determine if a reduced project scope and budget can fit within the remaining funds. In addition to the budget and scope of work, other forms and documents must be completed before entering into an agreement with the Energy Commission. The CAM will identify these documents during the agreement development process.

**3. When can the selected project start?**

Before the project can start, the finalized agreement must be signed and approved by both the Energy Commission and recipient and must be approved at an Energy Commission Business Meeting. For solicitations resulting in contracts instead of grants, approval by the Department of General Services (DGS) is also usually necessary, because DGS has broad authority over state contracting. No work can be performed or funding spent, including match funding, until the agreement has been signed and fully executed. Agreement execution occurs approximately five weeks after Energy Commission Business Meeting approval but is dependent on several factors and may be subject to change.

**4. How long do I have to complete my project?**

Project timelines are specific to each solicitation. For information on the duration of a project, please reference the solicitation manual.