QUESTIONS AND ANSWERS

FOOD PRODUCTION INVESTMENT PROGRAM (FPIP) 2025

GFO-24-311

TABLE OF CONTENTS

RESOURCES ... 2

PROGRAM RESOURCES ... 2

SOLICITATION RESOURCES ... 2

SOLICITATION ... 4

PURPOSE AND KEY TERMS ... 4

PROJECT TEAM ... 5

FUNDING ... 7

ELIGIBLE COST ... 9

BUDGET ... 11

EQUIPMENT ... 14

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ... 15

APPLICANT AND FACILITY ... 16

APPLICANT ... 16

FACILITY ... 19

PROJECT AND TECHNOLOGY ... 19

GHG EMISSIONS ... 19

TECHNOLOGY READINESS LEVEL (TRL) ... 21

PROJECT ELIGIBILITY ... 22

TECHNOLOGY ELIGIBILITY ... 24

RESOURCES

Program Resources

Q.1 What is the funding source for this solicitation?

A. This solicitation has only one funding source: the Greenhouse Gas Reduction Fund (GGRF). The Food Production Investment Program (FPIP) is part of the California Air Resources Board's (CARB) California Climate Investments (CCI), a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas (GHG) emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities. Applicants can stay up to date with the program and future solicitations by subscribing to the listserv at: https://www.energy.ca.gov/programs-and-topics/programs/food-production-program.

Q.2 Are there other GHG-reducing grant programs to which food processors can apply?

A. Applicants seeking additional funding opportunities are encouraged to use the California Grants Portal at https://www.grants.ca.gov and the Federal Grants Portal at https://www.grants.gov.

Q.3 Where will the final reports for completed projects be showcased?

A. Projects, including final reports and results, are highlighted on the CEC's Energize Innovation site under Project Showcase at https://www.energizeinnovation.fund/. Final reports can also be found on the CEC's Publications page at https://www.energy.ca.gov/data-reports/all-publications/energy-commission-publications; this list can be filtered for FPIP reports under "Filter by Program."

Q.4 What is the contact information in case of any technical issues in accessing the Empower Innovation Network (EIN) portal?

A. Users should visit the Help Center, a centralized resource hub designed for self-service support, at https://www.empowerinnovation.net/en/page/help-center-en. For technical issues that cannot be solved through the Help Center, users should contact Tom Jensen at tjensen@icatalysts.net.

Solicitation Resources

Q.5 Will the Pre-Application Workshop slides and recording be available to the public? Where will these be located?

A. Yes, the Pre-Application Workshop slides and recording are available on the Pre-Application Workshop - GFO-24-311 site page at: https://www.energy.ca.gov/event/funding-workshop/2025-06/pre-application-workshop-gfo-24-311-food-production-investment.

Q.6 Is there a technical contact for this solicitation?

A. The Contract Agreement Officer (CAO) is the main (technical and administrative) point of contact for this solicitation. Prospective applicants must submit all written questions to the CAO for this Solicitation – Chester Hong. The CAO's contact information is Chester.Hong@energy.ca.gov. Refer to Section I.G. in the Solicitation Manual for more information about submitting questions.

Q.7 Where should a grant-writing company register to offer grant-writing services to potential awardees of this program?

A. Prospective applicants and project partners looking for collaboration opportunities should register on the CEC's Empower Innovation website at https://www.empowerinnovation.net. This website is a curated database that identifies funding opportunities and potential connections with others interested in partnering on projects. This specific funding opportunity can be found on Empower Innovation at https://www.empowerinnovation.net/en/custom/funding/view/47374. Note that grant-writing tasks are not an eligible cost for reimbursement under this solicitation.

Q.8 How can an applicant determine if the proposed project would qualify under the priority population criterion?

A. Applicants can determine if a proposed project would qualify under the priority population criterion by assessing the project under three conditions:

1. Identify if the project will be located within a priority population community. To identify disadvantaged and low-income communities, refer to the interactive mapping and lookup tools at https://www.caclimateinvestments.ca.gov/resource-portal-priority-populations/#map.
2. Identify important community needs of the priority population. Community needs must be confirmed by vetted data tools at https://www.caclimateinvestments.ca.gov/benefit-assessment-guide.
3. Identify a direct, meaningful, and assured benefit(s) resulting from the project. Projects must meet at least one of the following benefit criteria:
   - Project provides direct energy cost savings or reduces energy cost burden to priority population(s).
   - Project reduces onsite criteria air pollutant or toxic air contaminant emissions through the reduction of fossil fuel consumption.
   - Project improves energy or community resilience or provides grid outage mitigation.
   - Project provides increased access to clean and reliable energy.

Applicants can use California Climate Investments' Priority Populations Benefit Assessment Tool at https://ww2.arb.ca.gov/sites/default/files/auction-proceeds/energy_bat.pdf. Refer to Section III.C.2.b of the Solicitation Manual for more information on the priority population criterion.

Q.9 What are the next steps to initiate an application?

A. Applicants can submit applications for Solicitation GFO-24-311 through the Energy Commission Agreement Management System (ECAMS) website at https://ecams.energy.ca.gov. For more information about application requirements, including formatting and page limit details, review Section III of the Solicitation Manual, posted at https://www.energy.ca.gov/solicitations/2025-06/gfo-24-311-food-production-investment-program-fpip-2025.

For instructions on how to apply using the ECAMS system, refer to the "How to Apply" document available on the CEC website at https://www.energy.ca.gov/funding-opportunities/funding-resources, under General Funding Information, ECAMS. First-time users must register as new users to access the system. There will be two types of user accounts to establish: 1) an organizational account for the entity applying to the solicitation; and 2) user accounts for individuals who will be submitting the application on behalf of the organization. For questions related to the submission of applications in the ECAMS system, contact ECAMS.SalesforceSupport@energy.ca.gov.

SOLICITATION

PURPOSE AND KEY TERMS

Q.10 Is the goal of this solicitation reduction in global warming potentials (GWP) or GHG emissions?

A. This solicitation's goal is to accelerate the adoption of advanced energy and decarbonization technologies that support electrical grid reliability and reduce onsite GHG emissions and energy use at California food processing plants. For more details, refer to Section I.A of the Solicitation Manual.

Q.11 Define what '*commercially available equipment*' means.

A. FPIP uses the term '*commercially available technology*' and defines it as equipment that is readily available for procurement and installation, has been widely used, and has well-documented performance and energy savings. This equipment should be drop-in ready for replacing the existing equipment. Equipment must be fully developed and operational and not in a research or demonstration phase. Refer to Key Words/Terms in Section I.B of the Solicitation Manual for more information.

Q.12 Define what '*industry-standard practice*' means.

A. For the purposes of FPIP, '*industry-standard practice*' refers to the typical equipment, technology, or processes that are commonly used in current industrial operations. These practices reflect what is generally accepted as typical or baseline within the industry and comply with existing regulations or standards, such as current Title 24 or other relevant energy efficiency codes. To be eligible for

FPIP funding, proposed equipment or systems must exceed the established industry standards.

PROJECT TEAM

Q.13 Does every project partner have to be registered under the California Secretary of State?

A. All entities, including subcontractors and vendors, that are part of the application are required to be registered and in good standing with the California Secretary of State prior to the project being recommended for approval at a CEC Business Meeting. If not currently registered with the California Secretary of State, applicants and project team members (e.g., subrecipients and match fund partners) are encouraged to contact the Secretary of State's Office as soon as possible to avoid potential delays in beginning the proposed project(s) (should the application be proposed for funding). Applicants should provide the exact legal names of entities included in their applications, along with any fictitious business names. Refer to Section II.A.3 in the Solicitation Manual for more details. Applicants with more questions should contact the Secretary of State's Office via its website at www.sos.ca.gov.

Q.14 How can universities or laboratories provide any support in terms of engineering and other areas?

A. Applicants must own or operate one or more food processing facilities where the grant-funded equipment will be installed. See Section II.A of the Solicitation Manual for more details. However, grant funds may be used for third-party subrecipient costs for project-related design and engineering (D&E) and third-party subrecipient costs for measurement and verification (M&V) of project performance..

Q.15 **a.** Please clarify the difference between the terms '*subrecipient,*' '*subcontractor*' (referenced in the FPIP Terms and Conditions), '*vendor,*' and '*seller of items*' (from the budget form, equipment tab).
b. What are some real-world examples of each role, and how are they distinguished?
c. Are subrecipients only allowed to be design & engineering (D&E) and measurement & verification (M&V) contractors, or are other subrecipients possible?
d. Are vendors also considered the sellers of items in the equipment tab of the budget?

A. **a.** The term '*subrecipient*' is interchangeable with the term '*subcontractor*.' A subrecipient is defined as an entity that receives grant funds directly from the recipient and is entrusted by the recipient to make decisions about how to conduct some of the grant's activities. A subrecipient's role involves discretion over grant activities and is not merely selling goods or services.

Characteristics that support the classification of the entity as a subrecipient include when the entity:

- Has its performance measured in relation to whether objectives of a CEC program were met;
- Has responsibility for programmatic decision-making;
- Is responsible for adherence to applicable CEC program requirements specified in the CEC award agreement;
- In accordance with its agreement, uses the CEC funds to carry out a program for a public purpose specified in the authorizing statute, as opposed to providing goods or services for the benefit of the recipient or sub-recipient; or,
- Provides match share funding contributions to the CEC-funded project.

The term '*vendor*' is interchangeable with the term '*seller of item.*' A vendor is defined as a person or entity that sells goods or services to the recipient, subrecipient, or any layer of sub-subrecipient, in exchange for some of the grant funds, and does not make decisions about how to perform the grant's activities. The vendor's role is ministerial and does not involve discretion over grant activities. A vendor is an entity selected through a competitive process or is otherwise providing a product or service at a fair and reasonable price.

Characteristics indicative of a procurement relationship between the recipient or subrecipient and a vendor are when the vendor:

- Provides the goods and services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Normally operates in a competitive environment;
- Provides goods or services that are ancillary to the operation of the CEC program; and
- May not be subject to compliance with all of the requirements of the CEC program as a result of the agreement, though similar requirements may apply for other reasons.

For additional Budget Category Guidance, visit https://www.energy.ca.gov/funding-opportunities/funding-resources/ecams-resources.

b. For example, a coffee roasting facility (recipient) proposes replacing its fossil gas roasters with electric roasters. The coffee roasting facility will procure and purchase the roaster from the equipment seller (vendor). This procurement is typically a one-time interaction and would not affect the direction or purpose of the project. The coffee roasting facility will partner with a third-party contractor (subrecipient) to design and engineer or perform measurement and verification for the replacement of the roasters. These tasks required constant collaboration throughout the project term and may impact the project's direction.

c. Under this Solicitation, grant funds can only be applied to subrecipients who perform D&E and/or M&V. The recipient may acquire other necessary subrecipients to make the project successful but cannot use grant funds for reimbursement.

d. Yes, the term '*vendor*' is interchangeable with the term' *seller of item,*' and typically the vendor is the seller of the item (or equipment).

Q.16 How is a '*California-based vendor*' defined? Does California vendor mean a vendor that is an equipment distributor, a manufacturer, or both?

A. Both, a '*California-based vendor*' is a vendor with equipment manufactured in or with a distribution center in California.

Q.17 Is it permitted for an equipment provider to partner on more than one proposal (that is to say, with more than one food processor)?

A. Yes, as an equipment vendor, there is no limit to the number of applicants who can use your equipment.

Q.18 If the project does not include any equipment purchased from a California-based vendor, would it still qualify?

A. Yes, the project is still eligible for funding, but it will not receive points for the California-Based Vendors scoring criterion. For more details, refer to Scoring Criteria in Section IV.F, Criterion 5 of the Solicitation Manual.

FUNDING

Q.19 When will the grants be awarded and the funding distributed?

A. The anticipated Notice of Proposed Award (NOPA) is scheduled for the week of October 13, 2025. The NOPA reflects the total proposed funding amounts, the rank order of applicants by technology group, and the amount of each proposed award. Anticipated agreement start dates are typically 45 days after the agreement is approved at a CEC business meeting. Refer to Section I.E in the Solicitation Manual for more information about key activities, dates, and times for this solicitation. Recipients may begin work on the project only after the agreement is fully executed (approved at a CEC business meeting and signed by both the recipient and the CEC). Funding is then eligible to be distributed on a reimbursement basis. For more details on invoicing, refer to FPIP's Terms and Conditions, Section 8.

Q.20 What are the funding caps for each entity receiving awards under FPIP?

A. The funding cap per project is $2,500,000, as described in the Solicitation Manual, Section I.D.1. Applicants may submit multiple applications, but each application must be for a distinct project (i.e., no overlap with respect to the technical tasks described in the Scope of Work). There is also a cumulative funding cap of $5,240,000 per entity for this solicitation and the previous FPIP round (GFO-23-305). Any awards received under GFO-23-305 will count toward this $5.24 million maximum.

Q.21 Can funding from other programs be combined with this funding if it is awarded?

A. Third-party funds from non-CEC sources may be considered eligible match funds if they meet the requirements outlined in Section I.K of the Solicitation Manual. However, previously awarded FPIP funds, other CEC program funds, and future/contingent awards are not eligible as match funds. If the applicant is leveraging or pursuing funding from multiple sources of GGRF, the applicant must describe all existing or potential GGRF sources in its application materials. For more details, refer to Section I.K of the Solicitation Manual. Note that any applicants receiving funding for the same project, or portions of the same project, from the CEC's Industrial Decarbonization and Improvement of Grid Operations (INDIGO) Program or CARB's F-gas Reduction Incentive Program (FRIP) are ineligible for funding from FPIP.

Q.22 Can other GGRF funds be applied toward the match requirement?

A. Yes, if the applicant is leveraging or pursuing funding from multiple sources of GGRF, the applicant must describe all existing or potential GGRF sources in their application materials. Refer to the response to Question #21.

Q.23 Can smaller food production facilities co-apply for FPIP funding to reach the $1,000,000 minimum award?

A. No, only one food processor can apply in a single application.

Q.24 Is the grant match requirement for this solicitation 50 percent of the equipment? What is the match requirement for this solicitation?

A. No, the match requirement for this solicitation is 25 percent of the eligible costs requested.

Q.25 For match funding, if an applicant receives a $1,000,000 award, would the applicant need to provide a matching fund of $250,000 by multiplying 25 percent by $1,000,000?

A. Correct. Match funding is required in the amount of at least 25 percent of the requested FPIP funds. To further clarify, the calculation for match funding is the requested funding amount multiplied by 0.25 to equal the match fund minimum amount. This equation should not be confused with the total grant amount, which is the sum of the Requested Funding and Match Funding.

Q.26 Does having more match funding mean a higher score for the application? For example, does a project with 50 percent match receive more points than a project with 25 percent match?

A. Match funding is not a scoring criterion. For an application to be eligible for funds, they must provide the minimum match requirement amount (at least 25 percent of the requested FPIP funds). However, additional match funds beyond the minimum requirement can be viewed favorably during application review. For example, additional funding may contribute to increased impacts and benefits for the overall project (Criterion 3).

Q.27 If a utility incentive program is used as part of the satisfaction of the match funding requirement, could a typical "conditional incentive reservation document" be used as the match funding commitment letter?

A. No, a conditional approval document from a utility incentive program would not satisfy the requirements of a match funding commitment letter. A match funding commitment letter must be signed by a representative of each entity or individual committing to providing match funding and must also (1) identify the source(s) of the funds, (2) identify the dollar value of the match funds, (3) guarantee the availability of the funds, and (4) provide a strategy for replacing the funds if they are significantly reduced or lost. See Section III.C.7 of the Solicitation Manual and Attachment 7 for the full requirements for match funding commitment letters.

Q.28 Can the subrecipient or equipment vendor provide match funds for the project, or can only the recipient (food facility) provide those funds?

A. A subrecipient or equipment vendor can provide match funds for the project. It is the recipient's (food facility) responsibility to provide a match funding commitment letter from the subrecipient or equipment vendor that meets the requirements in Section III.C.7 of the Solicitation Manual.

Eligible Cost

Q.29 Can an applicant use non-eligible costs (costs associated with labor in construction and installation, equipment warranty, rental equipment) to meet the match funding requirement?

A. No. Match funding can only be fulfilled by areas approved under eligible costs. Eligible costs for this solicitation are limited to the following areas:

- Equipment cost – equipment must meet the project requirements and fall under the approved technologies list in Section II.B.
- Third-party subrecipient costs for project-related design and engineering.
- Third-party subrecipient costs for measurement and verification.

Refer to Section I.D.1 in the Solicitation Manual.

Applicants cannot use non-eligible costs to meet the match requirement for this solicitation. Non-eligible costs include, but are not limited to:

- Costs related to M&V collection required for the application;
- Costs related to preparing the site for equipment (excavation, demolition, construction, etc.);
- Costs related to assembling the equipment;
- Costs related to commissioning the equipment;
- Labor costs related to the installation and commissioning of the equipment;
- Travel and costs related to travel;
- Grant writing, consulting or management; and
- Equipment training or maintenance.

When invoicing, it must be clear that funds received are directly applied to eligible areas only.

Q.30 Would consulting costs for the food facility be covered under this solicitation?

A. No, consulting costs or activities and services done to develop and craft the application would not be eligible under this solicitation. Refer to the response in Question #29.

Q.31 What can be accounted for and included in the total cost of the equipment that would be eligible under this solicitation? There are costs associated with an equipment purchase beyond simply showing up with the equipment and being operational.

A. Typically, the total cost of equipment includes, but is not limited to:

- Direct cost of the equipment;
- Costs related to shipping or delivery;
- Costs related to equipment tax;
- Costs related to customs clearance charges;
- Permanent M&V equipment;
- Software directly related to eligible technologies; and
- Costs related to materials (electrical, mechanical, or instrumentation) required to complete the installation of the equipment (piping, conduit, bolts, supports, coatings, wiring, etc.) that would be permanently installed.

CEC staff may consider other related costs eligible if the applicant can provide additional justification. CEC staff must approve all proposed related eligible costs (such as infrastructure upgrades, electric panel upgrades, concrete supportive slabs, etc.).

Non-eligible costs that should not be included in the equipment costs are, but not limited to:

- Standalone software applications;
- Rental equipment; and
- Equipment warranty.

Applicants should provide clear descriptions of how the grant funds will be allocated. It is up to the applicants to determine the proper level of detail.

Q.32 What labor or installation costs are considered eligible? Some subcontractors include this cost in the overall bid for the project.

A. Labor costs related to installation are not eligible for funding under this solicitation. Labor costs related to D&E and M&V activities of a third-party subcontractor may be eligible.

BUDGET

Q.33 Do applicants submit budget forms for each subrecipient and vendor, or is the budget only for the applicant in the grant application?

A. Under this solicitation, only the applicant will submit the budget form (Attachment 5). The solicitation will only reimburse third-party subrecipients' costs up to a maximum of $99,999 (see Addendum 2 to the solicitation); therefore, no budget forms are required for subrecipients. Vendors are also not required to submit a budget form. Refer to Section III.C.5 of the Solicitation Manual for further details.

Q.34 Is the $99,999 subrecipient maximum for reimbursement for the total subrecipient category, or is it the limit for each subrecipient?

A. The $99,999 maximum reimbursement applies per task (D&E or M&V) and also per entity (see Addendum 2 to the solicitation). FPIP funds will reimburse up to $99,999 total for all subrecipient costs related to D&E and up to $99,999 total for all subrecipient costs related to M&V. If multiple subrecipients are used for a single task, such as M&V, the combined FPIP reimbursement across those subrecipients for that task must not exceed $99,999. Additionally, if a single subrecipient entity performs both M&V and D&E tasks, that entity is limited to a total of $99,999 in FPIP reimbursement, regardless of how the costs are distributed between the two tasks. Any subrecipient costs exceeding these limits may be counted toward the required match funding. Only costs for third-party subrecipients are eligible for reimbursement for D&E and M&V tasks. Use of the grant recipient's in-house staff for M&V or D&E is not reimbursable.

Q.35 Can the same subrecipient perform the M&V and D&E tasks, with each task valued at $99,999 or less? Or would the subrecipient be limited to $99,999 in total between the two tasks since the same subrecipient is performing them?

A. A single subrecipient may perform both M&V and D&E tasks. If performing both tasks, the total reimbursement to that entity from FPIP funds is limited to $99,999 (see Addendum 2 to the solicitation). The $99,999 cap applies both per task and per entity. This means that even if the subrecipient splits its work between M&V and D&E, the combined reimbursable amount across both tasks cannot exceed $99,999. The project budget must clearly identify and separate the cost line items for each task. Any costs above this amount may be included as part of the 'project's match funding. Only costs incurred by third-party subrecipients are eligible for reimbursement for D&E and M&V tasks. Use of in-house staff for these activities is not reimbursable.

Q.36 Should applicants outline non-eligible costs (labor, etc.) associated with the project if costs are not covered under the grant funds and cannot be used as matching funds?

A. No, applicants do not need to include any costs not covered by the grant or its matching funds. Applicants do not need to submit a budget for non-eligible costs.

Permitting costs may be accounted for in match share. Permit costs and the expenses associated with obtaining permits are not reimbursable with FPIP funds.

Q.37 **a.** The Solicitation Manual states, "…*subrecipient profit is allowable, though the maximum percentage allowed is 10% of the total subrecipient rates for labor, and other direct and indirect costs as indicated in the Category Budget tab*". Where can the applicant enter labor in the budget to calculate the profits allowed for it?
b. Does the applicant/food facility get to account for profit?
c. Is profit allowed on equipment supplied by subrecipients?
d. Do vendors have a maximum allowable profit, and if so, what is it based on?

A. **a.** Recipients that acquired eligible third-party subrecipients may use the CEC's ECAMS budget as a tool to determine subrecipients' profits, at https://www.energy.ca.gov/files/proposal-budget-template. If used, this budget is not required to be submitted using separate budget sheets in the application, as all eligible subrecipients' costs for reimbursement have a maximum of $99,999 threshold (see Addendum 2 to the solicitation), so separate budget sheets are not required.
b. The applicant/food facility itself is not permitted to include profit in the budget.
c. No, profit on the equipment is not allowed under this solicitation.
d. Vendors do not require a budget, so profit is not applicable. Refer to the response to Question #15 for more details on the definitions of a vendor versus a subrecipient.

Q.38 Within the Budget form (Attachment 5), the "Category Budget" tab's line 19, "Total Indirect Costs and Profit," is locked. How should the applicant calculate and enter the budget for these Indirect Costs and Profits?

A. Indirect costs and profits are not eligible for reimbursement for recipients under this solicitation. Refer to the response to Question #29 for eligible costs. The "Total Indirect and Profit" category budget should always remain zero, with no calculation needed. Refer to Section III.B.5 of the Solicitation Manual for further details.

Q.39 The budget has two different tabs labeled 'Equipment' and 'Subrecipient & Vendors'. Both tabs are combined into the Grand Totals in the Category Budget tab. However, if equipment is purchased from a vendor, the amount shows up twice in the Category Budget tab (once from the Equipment tab and once from the Vendor tab). How should the applicant enter Equipment amounts without double-counting those costs under the Vendor section?

A. All equipment must be listed in the Equipment tab, including the name of the vendor providing the equipment under the 'Seller of item(s)' column. Applicants must not enter equipment costs under the vendor section in the Subrecipient & Vendors tab. Since software and subscription-based services are not eligible under FPIP, the only allowable vendor costs are for equipment, so no vendor costs should be included in the Subrecipient & Vendors tab. As part of Addendum 2, the vendor section under the Subrecipients & Vendors tab will be hidden to avoid confusion and better reflect FPIP cost eligibility.

Q.40 Can an applicant include costs related to measuring the baseline in the M&V budget? Otherwise, it will be challenging for companies to pay for baseline data before knowing whether the projects will be awarded funding.

A. There are three M&V phases:

- Phase I is the Application M&V, which will be conducted before application submittal and is not reimbursable by the grant.
- Phase II is the Pre-Installation M&V, which will happen before equipment is installed to obtain a more accurate baseline.
- Phase III is the Post-Installation M&V, which will happen after the equipment is installed.

The baseline required for the application will be estimated based on current equipment type and operations, using the emissions factors in the FPIP Benefits Calculator (Attachment 8). Establishing this baseline as part of the application is not reimbursable by the grant. Applicants should use the best available information to fill out the baseline portion of the FPIP Benefits Calculator.

Funding for Phase II pre-installation and Phase III post-installation M&V can be provided by the grant if a third-party subcontractor is used for this M&V (refer to Section II.B.2 of the Solicitation Manual).

Q.41 Qualifying M&V costs will be reflected in the Budget Form. If the application is accepted, then are those the acceptable M&V costs?

A. If the project is selected for an award, the M&V costs shown in the application Budget Form (Attachment 5) may be subject to negotiation. Note that the CEC only reimburses for actual costs up to the amount shown in the agreement budget.

Q.42 The Solicitation Manual states, "… *the grant will reimburse subrecipients' costs up to a maximum of $99,999 with FPIP funds, while any remaining subrecipient costs will be eligible to be accounted for under the match fund requirement. <u>Use of recipient's in-house staff is not reimbursable</u>.*" Why does the grant not cover other subrecipients that contribute to the project?

A. FPIP Funding is limited, so the program is designed to target the most important and costly parts of a project—specifically the equipment and third-party D&E and M&V services. In particular, equipment costs are prioritized because the program aims to encourage applicants to pursue capital-intensive upgrades and invest in technologies that offer the greatest potential for energy savings. Covering a large portion of equipment costs helps reduce the financial barrier for food processors to move forward with capital-intensive upgrades that they might not otherwise pursue. By focusing the funding on equipment and required technical services, the program is able to stretch its budget while still supporting meaningful energy improvements.

Other subrecipients (e.g., installation contractors or admin support) may still be involved in the project, but their costs are not eligible for reimbursement and cannot be counted toward the required match. The program intentionally focuses on the areas that most directly contribute to project performance and energy savings.

EQUIPMENT

Q.43 Is it possible to have shared ownership of the proposed equipment under this solicitation?

A. Equipment paid for with grant funds must be under sole ownership of the recipient. FPIP's Terms and Conditions, Section 14, states, "*[T]itle to equipment acquired by the Recipient with grant funds will vest in the Recipient*." Refer to the FPIP Terms & Conditions for more information at: https://www.energy.ca.gov/funding-opportunities/funding-resources. Refer to the response to Question #44 below for more information on shared ownership of equipment when FPIP funds pay for a portion of the equipment.

Q.44 If a facility has a vendor that is going to install equipment and the vendor will own 80 percent of the equipment and the food facility will own 20 percent of the joint venture, will the facility portion be eligible for the FPIP funding?

A. Yes, if the 20 percent covers the cost of the equipment to be purchased by the CEC grant and meets the requirements of the Solicitation and Section 14 of the FPIP Terms and Conditions. The equipment or the portion of the equipment purchased with CEC grant funds must be owned by the recipient, and the CEC is not responsible for any agreement with a third party. Rental fees are not an eligible cost.

Q.45 Do the food processing facilities have to be the ones that own the equipment? For example, after a microgrid is installed, does the food facility have to be the one that owns and operates it?

A. The recipient must own the portion of the equipment paid for with grant funds. Refer to the responses for Questions #43 and #44.

Q.46 Is third-party financing and ownership of eligible equipment installed at the applicant's facility allowed if the applicant remains the direct recipient/Prime of the CEC grant? Can a project lease equipment?

A. No. The recipient must hold title to the equipment, and the CEC is not responsible for any agreements with third parties. Rental or lease costs are not eligible costs. Refer to the responses for Questions #43 and #44.

Q.47 If eligible equipment has already been ordered, is it eligible for reimbursement?

A. No, equipment can only be purchased during the term of the agreement.

Q.48 Would M&V equipment (measurement meters and tools) be reimbursed if M&V was done in-house?

A. The recipient may purchase instrumentation and control equipment if the following conditions are met: (1) the equipment is required for the system to function properly; and (2) it is intended to be a permanent component of the system (i.e., not removed after the project is completed).

Q.49 Can a third-party M&V subcontractor request funds for testing and measuring equipment and sensors?

A. No, third-party M&V subcontractors cannot include costs for equipment and sensors. Eligible costs for subcontractors are limited to the following categories: Direct Labor, Fringe Benefits, Travel, Subcontractors, and Indirect Costs (including profit of up to 10%). Refer to the response to Question #48 regarding recipient purchases of M&V equipment.

Q.50 Can secondary equipment, materials, or supplies necessary for the eligible equipment operation, therefore indirectly related to direct GHG savings, be included as eligible costs? For example, vessels and piping, new structural (new concrete pads, bracing, steel infrastructure, etc.), or safety-required equipment (containment, etc.).

A. Yes, secondary equipment, materials, or supplies necessary for the eligible equipment operation are considered eligible costs. Infrastructure improvements may be eligible costs only if directly related to the equipment that reduces GHG emissions. The applicant's budget should account for these costs under the equipment category. Note that installation costs are not eligible costs.

California Environmental Quality Act (CEQA)

Q.51 When should applicants reach out to their local authority or jurisdiction for written verification about potential required permitting and the determination of the environmental lead agency for the project?

A. Applicants are encouraged to start engaging with their local authority having jurisdiction as soon as possible to obtain written verification regarding potential permitting requirements and the determination of the environmental lead agency for the project. Before the project can be approved, CEC must comply with the CEQA review and related requirements. CEQA review can be time-consuming, so it is critical that applicants start this process and engagement as early as possible. Applicants must complete their initial assessments on the CEQA Compliance Form (Attachment 6) and can use the Appendix G: Environmental Checklist Form to support the assessment. Written verification from the local authority having jurisdiction can be viewed favorably during application review as a part of Criterion 2, "Technical Approach," and will be required during the agreement development process. For more details on the environmental review, refer to Section I.I in the Solicitation Manual.

Q.52 **a.** If the applicant is replacing existing permitted equipment that does not require any construction/engineering/etc., does the applicant need to have the local authority still sign off on an exemption from CEQA?
b. Could the applicant provide case law as evidence of exclusion from CEQA for drop-in ready technology from previous projects in local authority jurisdiction as evidence of CEQA exemption?
c. To qualify for FPIP, does the project have to go through a full CEQA process, or could it qualify if it went through a Mitigated CEQA or Administrative Review process with the local authority?

A. **a.** Applicants must complete the CEQA Compliance Form (Attachment 6) and provide the CEC with the requested information to the best of their abilities, including any backup information to justify application responses.
b. If an applicant's previous project has received a notice of exemption and shows the specific exemption under CEQA, the applicant should include this information as backup in the application. Citations to applicable caselaw, statutes, or regulations may be provided in the CEQA Compliance Form.
c. A project does not need to go through a full CEQA process prior to application submission. The CEC will evaluate each project to determine whether it is exempt from CEQA. A completed Attachment 6 will support that determination. If a project is not exempt, and the project is selected for an award, then any required CEQA review must be completed before the CEC can approve the project. This will be taken into consideration during application review; refer to the response to Question #51. Refer to Section I.I of the Solicitation Manual regarding CEQA review.

Q.53 Could a project that receives approval from the local authority that prepared an environmental document for a project, such as a Mitigated Negative Declaration, be approved for funding?

A. Yes, if the authority having jurisdiction has already completed environmental review through a Mitigated Negative Declaration and approved the project, then the CEC can rely on that environmental review and project approval. Acting as a responsible agency, the CEC must review and consider the environmental documents prepared by the lead agency when making its decision on the project.

APPLICANT AND FACILITY

APPLICANT

Q.54 Is there a preferred size of company for this program? Is there a limit on the size or revenue of the company?

A. There is no preference for company size. This solicitation is open to all California food processors and related supportive facilities. Refer to Section II.A in the Solicitation Manual for more details on the applicant's requirements.

Q.55 Each application is limited to $2,500,000, but is each recipient, subcontractor, or vendor also limited to $2,500,000 in total grants?

A. Applicants are not limited to the number of grants that can be awarded; see the response to Question #20. Each application must request grant funds that fall between the $1,000,000 and $2,500,000 threshold and that adhere to the funding requirements in Section I.D. of the Solicitation Manual. The exception is that a single entity cannot receive a combined total of more than $5,240,000, or 20 percent of the allocated program funding, over all its awarded grants under this solicitation and the previous funding round (GFO-23-305).

Q.56 Can project developers who work with food manufacturers qualify as applicants? A Commitment Letter from the food facility would be submitted with the proposal, but the project developer would be the recipient. The project developer would deploy and own waste heat to power equipment, and the food manufacturing facility would use the clean electricity produced (under a Power Purchase Agreement).

A. An applicant must own or operate one or more food processing facilities where grant-funded equipment will be installed. To be eligible for FPIP funds, applicants must fall under one of the codes listed below, defined by the North American Industry Classification System (NAICS):

- 311 (Food Manufacturing)
- 3121 (Beverage Manufacturing)
- 493120 (Refrigerated Warehousing and Storage)

Applicants must also meet the other requirements listed in Section II.A of the Solicitation Manual.

From the description provided in the question, the project developer would not be eligible to be the applicant/Recipient but could potentially be on the project team as a subrecipient. Please note that the food facility/recipient must hold title to the equipment purchased with the FPIP grant. The food processor can hire a firm to build and operate the project—but these costs are not covered by the grant. All projects must meet the requirements of the Solicitation and Section 14 of the FPIP Terms and Conditions. As stated in Section 14 of the FPIP Terms and Conditions, "*[T]itle to equipment acquired by the Recipient with grant funds will vest in the Recipient.*" Any transfer of ownership during the term of the grant must be approved by the CEC. The FPIP Terms and Conditions can be found at: https://www.energy.ca.gov/funding-opportunities/funding-resources.

Q.57 Please provide examples of "supportive facilities" that could be considered as applicants. Would a food bank or large warehouse-style grocery store (e.g., Costco) be considered eligible projects?

A. The Solicitation Manual defines supporting facilities as those listed under NAICS code 493120 – refrigerated warehousing and storage. Food banks and large warehouse-style grocery stores would not be eligible under this solicitation.

Q.58 Should the applicant be the technology manufacturer on the project or the recipient of the equipment? Can a technology manufacturer be the primary applicant?

A. No, technology manufacturers are not eligible to apply to be an FPIP grant recipient and cannot be the Prime Applicant. The applicant must own or operate one or more food processing facilities located in California and fall under one of the defined NAICS codes: 311 (Food Manufacturing), 3121 (Beverage Manufacturing), or 493120 (Refrigerated Warehousing and Storage). Applicants may use subcontractors to assist them in preparing grant applications; however, the application package must be reviewed and signed by the applicant prior to submission. Please note that Section IV.D.1 of the Solicitation Manual states, "*The CEC will not reimburse applicants for application development expenses under any circumstances, including cancellation of the solicitation.*" Costs must be incurred during the agreement term to be reimbursable or counted as match funds.

Q.59 How can a food facility determine what North American Industry Classification System (NAICS) code is assigned to the site?

A. Determining the correct NAICS code for a food facility in California is primarily a self-assignment process based on the facility's primary business activity. The food facility should determine the primary business activity that generates the most revenue or economic output for the site.
Applicants can identify and review the appropriate NAICS code for their 'facility's primary business activity by using the search tools on the U.S. Census 'Bureau's NAICS website at https://www.census.gov/naics/. Applicants can also contact the Census Bureau at NAICS@census.gov if they need further assistance in determining the most appropriate NAICS code.

Q.60 Should the food facility apply directly for the grant, or should the food facility work with an energy firm to apply?

A. Food processing facilities must apply directly. If the food processor hires a separate party to prepare the application and perform the work identified in the grant proposal, the CEC grant will only apply to the costs associated with equipment and subcontractor costs related to D&E and M&V. In addition, match funds are limited to only the eligible costs as defined in Section 1.D.1 of the Solicitation Manual. Refer to the response to Question #58.

Q.61 Does the food processor have to own the facility or site to be eligible, or can the food processor rent? Should an applicant include facilities located outside of California?

A. The applicant must own or operate one or more food processing facilities where grant-funded equipment will be installed. Refer to the response to Question #56. Food facilities eligible under this solicitation are limited to food processing and related support facilities located in California.

Facility

Q.62 The Solicitation Manual references already built facilities. Could this grant apply to new projects or construction?

A. No. This solicitation focuses on existing processing facilities, and it does not fund new construction projects. Projects must be upgrades, replacements, or additions to existing equipment that result in GHG reductions to be eligible for funding.

Q.63 Are facilities with the NAICS codes 311, 321, and/or 493120 as the non-primary (or secondary) code instead of the primary code eligible?

A. Under this solicitation, food facilities can apply using their secondary NAICS code. Additionally, the applicant must provide supportive documentation clarifying the second NAICS code and its distinct application to the facilities. FPIP funding will only cover systems that fall under allowable NAICS codes.

Q.64 Would an indoor animal feed production facility be an eligible applicant under this solicitation?

A. Yes, from the description, the facility would fall under NAICS code 31111 – Animal Food Manufacturing, which is eligible under the NAICS codes listed in Section II.A of the Solicitation Manual.

Q.65 Will NAICS code 115114, Postharvest Crop Activities (except Cotton Ginning), be considered eligible for FPIP funding under GFO-24-311? Our facility is a citrus packing plant that processes and packages citrus fruit for the market.

A. Yes, the CEC has received and reviewed the request to include NAICS code 115114: Postharvest Crop Activities (except Cotton Ginning). This code will be added to the list of eligible NAICS codes in the Solicitation Manual as part of Addendum 2 to the solicitation. Applicants subscribed to Energy Commission topics will receive notification when the addendum is posted.

PROJECT AND TECHNOLOGY

GHG Emissions

Q.66 In regards to M&V Plans, are all International Performance Measurement and Verification Protocol (IPMVP) Options A-D eligible?

A. Only options A-C are eligible, and A and B are strongly encouraged. It is up to the applicant to choose the appropriate M&V method. It can be a recognized protocol like IPMVP or another protocol or methodology. Whatever method is used must be robust enough to evaluate and validate energy savings and GHG emissions at the equipment level and the system or facility level. FPIP will only fund M&V conducted by independent third-party contractors. For more information on the IPMVP Options, applicants are encouraged to visit https://evo-world.org/en/products-services-mainmenu-en/protocols/ipmvp.

Q.67 What is the purpose of the FPIP Benefits Calculator Tool?

A. Applicants must fill out the FPIP Benefits Calculator Tool as part of the application package. The tool estimates the GHG emission reductions and selected co-benefits of each proposed project type. The FPIP Benefits Calculator Tool uses methods described in the supporting FPIP Quantification Methodology, available at https://ww2.arb.ca.gov/sites/default/files/auction-proceeds/cec_fpip_qm_2023.pdf. CARB and the CEC developed the Quantification Methodology consistent with the guiding principles of CCI, including ensuring transparency and accountability.

Q.68 For proposed installed equipment that will provide electricity energy savings and natural gas savings, can the applicant claim the GHG emissions savings that are associated with the natural gas savings in that scenario?

A. Yes, GHG emission reductions associated with fossil fuels are considered in application scoring if the proposed technology is eligible. See Section II.B.2 of the Solicitation Manual for more information on eligible technologies.

Q.69 Can food facilities include emissions savings resulting from suppliers (scope three emissions)? If so, how does the food facility factor into the impacts in terms of GHG emissions analysis?

A. No, facilities can only include off-site emission reductions as a co-benefit for the GHG emissions analysis. Additionally, any off-site emissions that are tied to the grid can be calculated using the FPIP Benefits Calculator (Attachment 8).

Q.70 Can food facilities count volatile organic compound (VOC) reductions as a benefit?

A. FPIP funding supports projects that reduce energy and GHG emissions. If VOC reduction is a part of the overall project, it is considered a co-benefit and calculated using the FPIP Benefits Calculator (Attachment 8).

Q.71 Please elaborate on the GHG emissions savings when bundling projects and any other limitations or requirements.

A. Bundling of eligible technologies within the same facility and/or bundling of multiple facilities within the same company is allowed. GHG emission reductions must be evaluated for each portion of the project or site and combined into one lump reduction.

Q.72 If an applicant combines two facilities and moves equipment from one facility to the new facility, would it be applicable to discontinue use of the old equipment but purchase new equipment that would overall reduce the footprint of both facilities?

A. For this type of project to be eligible, both facilities must already exist. The applicant must show the net GHG and energy reductions from each subproject at the individual facilities. Expansion of any facility is not eligible for FPIP funding.

Q.73 How does an applicant estimate the baseline (required for the application) for the facility and the proposed equipment/systems that will be replaced? For example, how should an applicant determine the past two years' electricity consumption of a process or piece of equipment compared to the overall energy consumption of the entire facility?

A. The baseline required for the application will be estimated based on current equipment type and operations, using the emissions factors in the FPIP Benefits Calculator (Attachment 8). Establishing this baseline as part of the application is not reimbursable by the grant. Applicants should use the best available information to fill out the baseline portion of the FPIP Benefits Calculator. If baseline data is unavailable, equipment specification sheets for the existing equipment can be used in conjunction with the U.S. Department of Energy's MEASUR[1] tool to estimate baseline energy use. Utility and other related energy data sources can also be used as supporting materials. The grant can fund post-award M&V for both the baseline and post-retrofit periods, provided a third-party subcontractor is used for this service. Post-award M&V will be monitored, collected, and verified to validate the GHG emissions and energy reductions achieved through the equipment installations.

Please refer to Section II.B.3 of the Solicitation Manual for more information about M&V.

Q.74 Does the utility bill have to be in the food facility's name?

A. No, utility bills do not have to be in the food facility's name, but documentation must be directly tied to the site (e.g., by address).

Q.75 The Project Narrative (Attachment 2) mentions that installations require greater GHG reductions than best practice or industry standard. If a site is bringing installations up to best practice but still demonstrates GHG reductions, does that still qualify?

A. No. To qualify for funding, the technology implemented must exceed the standard best practices or industry standards. The premise of this program is to install equipment that exceeds industry standards, rather than merely bringing the facility up to current standards. See Question #12 for a definition of industry standard practice.

Technology Readiness Level (TRL)

Q.76 Can a technology that has been previously proven and successfully demonstrated under a CEC grant be defined as '*commercially available equipment*'?

A. Not necessarily. CEC grants often fund prototypes with limited M&V and testing. This testing and collected data may be insufficient to determine technology performance and viability during long-term continuous operations under varying climate and load conditions. Please refer to Question #11 for the definition of commercially available technology.

[1] https://www.energy.gov/eere/amo/measur

Q.77 How can an applicant prove that a technology is commercially available and is a mature technology?

A. Applicants should provide examples and data of successful implementation of the technology in other food processing applications with independent verification of actual benefits. This could include, but is not limited to, reports, field studies, and cost-benefit analyses.

Q.78 For project eligibility, a prior project is deployed and operating at a facility with NAICS code 311119. Does this satisfy the requirement of "*commercially proven at similar food processing facilities*"?

A. Yes, if the technology were proven in an actual food processing application with independent verification of actual benefits, it would be considered eligible.

Q.79 Where can the Technology Readiness Level (TRL) scale be referenced?

A. For the purpose of the program, the solicitation uses the descriptions defined in the U.S. Department of Energy, "*Technology Readiness Assessment Guide*" at https://www2.lbl.gov/dir/assets/docs/TRL%20guide.pdf as the method for estimating the maturity of technologies.

Technologies with a minimum TRL 8 or greater are eligible under this solicitation. TRL 8 is defined as "Actual system completed and qualified through test and demonstration." TRL 8 is described as "Technology has been proven to work in its final form and under expected conditions. In almost all cases, this TRL represents the end of the true system development."

Q.80 Would a technology that is currently at TRL 7, but will be at TRL 8 by the time of installation (per the requirements of a separate CEC grant) be eligible for funding?

A. No, the technology must be proven to be at a TRL of 8 or above at the time of application.

Q.81 Can a project propose a system that has both commercially available equipment and emerging technologies?

A. Yes, new systems can incorporate both commercially available equipment and emerging technologies. Emerging technologies must have a minimum TRL of 8 or higher to be eligible. Refer to Section II.B for more details on project requirements.

Project Eligibility

Q.82 For the evaluation of priority populations, is this based on where the capital project is being developed, or the community that the project will serve?

A. Priority population evaluation is only done if the applicant meets the minimum passing score of 70 percent for criteria 1-5. To be eligible for priority population preference points, the project site must be located in a priority population community, address a specific need, and provide a meaningful benefit to that priority population. Refer to the response in Question #8 and to Section III.B.2.b for more details.

Q.83 Can funding be used for a planned expansion? Are there any funding limitations associated with the proposed equipment?
For example, to put in energy-efficient equipment in a new expansion of the facility, or if solar arrays are already on site and the food facility would add a battery and other energy efficiency enhancements (software) to the site.

A. No, expansion projects are not eligible for FPIP funding. Proposed equipment should replace existing systems, equipment, or processes. Proposed equipment should not be applied to increase the facility's production throughput.

Based on the descriptions provided, installing energy-efficient equipment in a new facility expansion would not be eligible; however, adding a battery to existing solar arrays may be eligible.

Q.84 If there is a project that will reduce carbon emissions but increases electricity use (electrification projects), would that be scored lower because of the increased electricity usage?

A. Not necessarily; projects are evaluated and scored against all criteria in the Solicitation Manual (refer to Section IV of the Solicitation Manual). Projects may receive lower points in one scoring criteria area but higher points in other scoring criteria areas. In addition, electrification technologies may be combined with other technologies like load flexibility or renewable generation to reduce a project's electric grid impacts.

Q.85 Does the project have to replace existing infrastructure fully, or can the project augment existing fossil fuel-reliant equipment with cleaner technology?

A. From the limited information provided, both project descriptions could be eligible. Infrastructure improvements may be eligible costs only if directly related to the equipment that reduces GHG emissions. Projects must still meet all eligibility and other criteria specified in this solicitation. Please refer to Section II of the Solicitation Manual for more information. Proposed equipment must replace existing equipment or processes at a food processing facility.

Q.86 What is an example of an energy efficiency project that can work with both fossil fuel and electrification processes that would be eligible under this solicitation?

A. An example would be waste heat recovery systems. A food processing plant using electric ovens could install a ventilation heat recovery system to preheat incoming air, reducing overall electricity demand, or use steam-generating heat pumps (electric) that rely on redundant gas boilers as backup and for grid support.

Q.87 What is fuel switching? Is switching from natural gas to electrical acceptable?

A. The solicitation describes fuel switching as projects involving the replacement of existing fossil-fueled equipment with electric-powered equipment (e.g., conversion of gas dryers to electric dryers). From the example given, yes, projects that switch energy sources from fossil gas to electricity or any fossil fuel to electricity are acceptable. Fuel switching projects must result in GHG reductions.

Q.88 What is an example of a fuel switching project that would be eligible under this solicitation?

A. An example of an eligible fuel switching project would be a coffee roasting facility converting from fossil-fuel-powered coffee roasters to electric-powered roasters, replacing the use of fossil fuel in the roasting process.

Q.89 From the description of microgrids, the system is required to operate in both grid-connected and island mode. This will require an interconnection agreement between the local utility and the food facility and may be time-consuming. Can a food facility still apply to the solicitation if an interconnection agreement has not been approved yet? What is the best way to reflect the two to three-year delay in gaining approval of this interconnection agreement? Is it okay for the food facility to install the microgrid before the interconnection agreement is in place?

A. Yes, a food facility can still apply to this solicitation even if the interconnection agreement has not been approved yet. Applicants are encouraged to connect with their local utilities to learn more about the interconnection process. This process and the associated time requirements should be considered when developing the schedule and crafting the project approach in the project narrative. Please note that projects awarded must end no later than June 30, 2030. Typically, microgrid systems are installed at the facility and commissioned before the interconnection agreement can be approved. Applicants should do their due diligence and present the best approach within their proposals.

Q.90 Would a project consisting of a behind-the-meter PV installation, a behind-the-meter battery energy storage system (BESS), and, most likely, a behind-the-meter heat storage system via an e-boiler be eligible? Provided that the first two can operate both grid-connected and off-grid, can the whole installation qualify under this solicitation, or only the PV+BESS component and not the heat storage/e-boiler? The plan is to use excess electricity to partially substitute for natural gas consumed in gas boilers.

A. Based on the project description, the entire project would be eligible for funding under this solicitation.

TECHNOLOGY ELIGIBILITY

Q.91 On the Project Overview Form (Attachment 1), should applicants fill out the 'other' section if technology is not listed on the form?

A. Interested parties were invited to submit requests for additional technologies to be made eligible during the solicitation's question/comment period. If additional technologies become eligible for FPIP funding, the technologies would be added to the Solicitation Manual via an addendum, which would be announced on the FPIP subscription list. Technologies that are added to the list of eligible technologies via an addendum would qualify as 'other'.

Q.92 Can applicants bundle different technologies in one project? For example, insulation along with steam system improvement.

A. Yes, applicants can bundle different technologies under one project/application. The example provided may be eligible. Technologies must meet the requirements in Section II.B.1 and 2 in the Solicitation Manual.

Q.93 What is an example of advanced motor and control technologies that would be eligible under this solicitation?

A. An example of advanced motors and controls includes equipment such as high-efficiency electric motors paired with variable speed drives, which allow systems like compressors to adjust output based on demand to improve operational efficiency and reduce energy waste compared to constant-speed systems.

Q.94 What is an example of process equipment insulation?

A. An example of process equipment insulation would be aerogel blankets. This technology can be used on high-temperature process lines or heat exchangers to minimize heat loss and energy consumption.

Q.95 Are Sukup mix flow dryers considered an eligible technology under this solicitation?

A. There cannot be a clear determination based on the limited amount of information provided. Mix-flow dryers are commonly used in grain drying applications and, depending on how they are implemented, may fall under the category of fuel switching. Projects that involve the replacement of existing fossil-fueled drying systems with electric-powered equipment, such as converting gas-fired dryers to electric Sukup mix-flow dryers, would be considered eligible under fuel switching.

Q.96 Are combined heat and power technologies eligible if the source energy is renewable?

A. Combined heat and power systems are not eligible under this solicitation, even if they use renewable fuels. However, projects that fall under the waste heat to power (WHP) category, as described in Sections II.B.1 and 2 in the Solicitation Manual, may be eligible, provided they meet the definition of capture and use waste heat that would otherwise be vented to the atmosphere.

Q.97 Could thermal energy storage and/or solar thermal technologies that can supply process heat count in Group 2?

A. No, thermal energy storage and solar thermal technologies are not eligible under this solicitation.

Q.98 Does thermal energy storage qualify as an eligible technology in Group 2, assuming the other program conditions are met? The project would be developing a microgrid opportunity with partners for a food manufacturer here in California, and a national laboratory, that utilizes a microgrid controller and incorporates photovoltaic assets and thermal energy storage systems for refrigeration, to assist in decarbonization and grid reliability.

A. Thermal storage technologies are not eligible under this solicitation. However, microgrids are eligible. For a complete list of eligible technologies, please refer to Sections II.B.1 and 2 in the Solicitation Manual.

Q.99 Are thermal energy storage technologies that are grid connected or charged with onsite solar PV eligible under this solicitation?

A. No. Thermal energy storage technologies are not eligible under this solicitation. For a complete list of eligible technologies, please refer to Section II.B.1 and 2 in the Solicitation Manual.

Q.100 Will hydrogen technology, such as water electrolyzer and fuel cell, combined with solar energy be applicable?

A. No. Hydrogen technologies are not eligible under this solicitation.

Q.101 Are the following technologies eligible under Group 2?

a. Compressed air system optimization and upgrades
b. Variable speed drive applications on process pumps and fans
c. Steam system upgrades including heat recovery, controls, traps, insulation
d. Refrigeration system upgrades
e. Waste water treatment plant upgrades for the treating plant waste stream.

The facility has identified several energy efficiency improvements, decarbonization, and process improvement projects that can reduce electricity and gas consumption. These improvements also include an onsite energy-efficient wastewater treatment plant for treating organic waste generated by the plant. The wastewater from the plant will be treated by an energy-efficient filtration system in the first stage, followed by anaerobic digestion (AD) with combined heat and power (CHP). This would present a strategic solution to address this challenge by treating high-strength dairy wastewater while recovering valuable energy. The system breaks down organic pollutants, such as Chemical Oxygen Demand and fats,oils, and grease, and captures biogas, which fuels a CHP unit to generate electricity and heat for onsite use. By adopting this approach, the facility can fully comply with regulatory discharge requirements and significantly reduce wastewater-related costs. The renewable energy generated onsite also advances GHG reduction goals, transforming wastewater from a compliance burden into a sustainability asset.

A. Refer to Section II.B.2 in the Solicitation Manual for the complete list of technologies eligible under this solicitation.

a. Compressed air system optimization and upgrades would be eligible under Group 2, "Advanced motors and controls, including variable frequency drives."

b. Variable-speed drive applications on process pumps and fans would be eligible under Group 2, "Advanced Motors and Controls, including variable-frequency drives."
c. Steam system upgrades, including heat recovery, controls, traps, and insulation, may not be eligible under Group 2, as they could be dependent on continued fossil fuel use and would be redundant if the facility converts to electrified processes. Ineligible energy efficiency projects are those that are dependent on continued fossil fuel use and would be redundant if the facility converts to electrified processes. Energy efficiency projects that can work with both fossil fuel- and electric-powered processes are eligible.
d. Refrigeration system upgrades would be eligible under Group 2, "Refrigeration System Optimization – Ultra Low Global Warming Potential (GWP) Refrigerants."
e. Wastewater treatment plant upgrades for treating the plant waste stream would be eligible under Group 2, "Onsite wastewater treatment." Please note that biogas and CHP projects are not eligible.

Q.102 Would a compressed air system optimization/equipment retrofits that use engineering software to help facilities plan, simulate, and upgrade compressed air systems effectively be eligible under this solicitation?

A. Based on the technology description, yes, a compressed air system optimization and upgrades would be eligible under Group 2, "Advanced motors and controls, including variable frequency drives." Note that engineering software alone would not be eligible for funding unless it is directly tied to eligible hardware equipment funded under this solicitation. Software for existing equipment or systems is not eligible.

Q.103 Would these two technologies be eligible?
a. The first technology is a passive cooling film that would be applied on the building roof to lower HVAC loads. The film works by keeping the roof at or below the ambient air temperature. It reduces a significant amount of heat that enters a building, and as a result, it saves energy and lowers the required HVAC capacity to cool a building. This technology would be applied to a bottling facility that is currently getting too hot to work in during the summer, and the project would be to install the film instead of installing HVAC units. The technology is TRL 8 and has been deployed in California and Arizona as a way to reduce HVAC loads on buildings. This summer it will also be installed on two Department of Defense bases in Texas and California and a warehouse in Las Vegas.
b. The second technology is a passive cooling panel. This technology can replace or supplement cooling in air-cooled or evaporatively cooled condensers. This technology will result in efficiency improvements while lowering the power and water usage for cooling systems. The product is commercially available, has been supported by a CEC Bridge Grant, and is TRL9. This technology is, for example, now installed in almost every Target store in the Sacramento region.

A. **a.** Based on the description of this technology, it would not be eligible. This technology does not appear to be directly related to a food processing method. Building upgrades, such as lighting and HVAC, are not eligible under this solicitation.
b. Based on the description of this technology, it may be eligible. The technology should be directly related to a food process or operation. The technology must also meet the project requirements listed in Section I.C of the Solicitation Manual.

Q.104 As a cultured meat company, the facility takes plasma from cows and turns it into beef. By doing so, the facility can produce the same amount of meat with a smaller herd size (approximately 90% reduction) compared to traditional production, resulting in benefits such as reduced GHG emissions, less land usage, and other advantages. To process the product, the facility uses a novel application of mature bioprocessing and bioreactor technologies. Can mature bioprocessing and bioreactor technologies be added to the Group 2 technologies, as they maximize GHG emissions reductions and energy efficiency in meat production while expanding production capabilities?

A. There is insufficient information to determine whether bioprocessing and bioreactor technologies qualify for inclusion on the eligible technology list. Additionally, to be considered eligible, proposed technologies must involve the replacement of existing systems or operations, not the installation of entirely new systems.