

# GRANT FUNDING OPPORTUNITY

## The EPIC Challenge: Accelerating the Deployment of Advanced Energy Communities



**GFO-15-312**

<http://www.energy.ca.gov/contracts/index.html>

**State of California**

**California Energy Commission**

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## I. Introduction

### A. PURPOSE OF SOLICITATION

The purpose of this solicitation is to fund a competition that will challenge project teams comprised of building developers, local governments, technology developers, researchers, utilities, and other project partners to develop innovative and replicable approaches for accelerating the deployment of Advanced Energy Communities in Pacific Gas & Electric (PG&E), Southern California Edison (SCE) and San Diego Gas and Electric (SDG&E) service territories. The project teams that develop the best approaches will then be eligible to compete for additional funding to fully realize their vision of an Advanced Energy Community.

For purposes of this solicitation, Advanced Energy Communities are communities that:

- Minimize the need for new energy infrastructure costs such as transmission and distribution upgrades.
- Provide energy savings by achieving and maintaining zero net energy community status (accounting for behavior and increasing loads from vehicle and appliance electrification).
- Support grid reliability and resiliency by incorporating technologies such as energy storage.
- Provide easier grid integration and alignment with the California Public Utilities Commission's (CPUC) Long-Term Procurement Plan, and the California Independent System Operator's local capacity requirements process.
- Can be replicated and scaled-up to further drive down costs.
- Are financially attractive from a market standpoint (developers, home buyers, renters).
- Provide affordable access to renewable energy generation, energy efficiency upgrades, and water efficiency and reuse technologies that reduce electricity consumption for all electric ratepayers within the community.
- Makes use of smart-grid technologies throughout the community.
- Align with other state energy and environmental policy goals at the community level such as the Sustainable Communities and Environmental Protection Act (Senate Bill 375 (Steinberg, Chapter 728, Statutes of 2008) and Governor Brown's Executive Order B-29-15 for the drought.

Projects will be funded in two phases. Phase I focuses on the development of innovative planning, permitting, and financing approaches for Advanced Energy Communities, as well as the development of a real world conceptual design of an Advanced Energy Community. Recipients of Phase I funding will be eligible to compete for Phase II funding, which will support the build-out of an Advanced Energy Community that was proposed during Phase I.

This solicitation manual provides instructions on how to apply for Phase I awards. An amendment to this solicitation manual will be provided at a future date with additional details on how to apply for Phase II awards. Only Phase I award recipients will be eligible for Phase II funding, and they will be required to submit a second proposal in accordance with the amended solicitation manual. Further details on each of the phases are provided below.

**Phase I: Planning and Permitting Advanced Energy Communities.** Projects will demonstrate the feasibility of innovative planning, permitting and financing approaches at the local and regional levels to incentivize the development of Advanced Energy Communities. Projects must combine regulatory streamlining strategies with a real-world development

example to produce a shovel-ready Advanced Energy Community, and a case study that describes the actions, challenges and lessons learned from the project. Receiving an award from Phase I is a prerequisite for applying for and receiving an award from Phase II. Receipt of funding under Phase I does not commit the Energy Commission to funding that proposal for Phase II.

Projects for Phase I must fall within one of the following project groups:

- **Group 1: Advanced Energy Community; Northern California**
- **Group 2: Advanced Energy Community; Southern California**
- **Group 3: Advanced Energy Community Located in a Disadvantaged Community; Northern California**
- **Group 4: Advanced Energy Community Located in a Disadvantaged Community; Southern California**

**Phase II: Advanced Energy Community Build-out.** Applicants selected for funding from Phase I will be eligible to apply for additional funding from Phase II of this solicitation for the construction, commissioning, and evaluation of their Advanced Energy Community. An amendment to this solicitation manual with additional details and criteria for Phase II will be provided at a future date. Eligible applicants will be required to submit a new proposal that meets the additional criteria of the amendment.

Projects for Phase II must fall within one of the following project groups:

- **Group 5: Advanced Energy Community; Northern California Build Out**
- **Group 6: Advanced Energy Community; Southern California Build Out**
- **Group 7: Disadvantaged Communities Build Out**

See Part II of this solicitation for project eligibility requirements. Applications will be evaluated as follows: Stage One proposal screening and Stage Two proposal scoring. Applicants may submit multiple applications, though each application must be for a distinct project (i.e., no overlap with respect to the tasks described in the Scope of Work, Attachment 6).

**B. KEY WORDS/TERMS**

<b>Word/Term</b>	<b>Definition</b>
Applicant	The respondent to this solicitation.
Application	An applicant’s formal written response to this solicitation.
CAM	<i>Commission Agreement Manager</i> , the person designated by the Energy Commission to oversee the performance of an agreement resulting from this solicitation and to serve as the main point of contact for the Recipient.
Advanced Energy Community	An Advanced Energy Community is a community based on systems integration in which energy efficiency, renewable energy generation, and smart-grid technologies meet the energy supply and demand needs of its residents and supports local grid reliability and safety. Advanced Energy Communities can be a new, reconstruction, or retrofit development of a residential, commercial, or municipal development in new, unused or underutilized lands.

Word/Term	Definition
Case Study	An up-close, in-depth, and detailed examination of a subject of study (the case), i.e. regulatory streamlining for emerging clean energy technologies, as well as its related contextual conditions.
Community Design	A design that includes: a proposed site map and the design of site improvements; conceptual drawings representing the scope, scale, and relationships of advanced energy equipment design elements to each other and to a proposed development site and buildings; the number, type, and design of units to be built, including size, as well as utility connections; and traffic circulation patterns.
Disadvantaged Community	A disadvantaged community is one located entirely within a 2010 census tract with the poorest environmental quality as defined by a CalEnviroScreen 2.0 in the 75 or greater percentile range. Please refer to the following for more information: <a href="http://www.calepa.ca.gov/EnvJustice/GHGInvest/">http://www.calepa.ca.gov/EnvJustice/GHGInvest/</a>
EPIC	<i>Electric Program Investment Charge</i> , the source of funding for the projects awarded under this solicitation.
Energy Commission	California Energy Commission.
NOPA	<i>Notice of Proposed Award</i> , a public notice that identifies award recipients.
Phase I Project	Projects that combine innovations in regulatory processes, as well as creation of a real world conceptual design of an Advanced Energy Community with all aspects necessary to produce a shovel-ready project.
Phase II Project	Projects that execute the real world conceptual design produced during Phase I.
Principal Investigator	The lead scientist or engineer for the applicant's project, who is responsible for overseeing the project; in some instances, the Principal Investigator and Project Manager may be the same person.
Project Manager	The person designated by the applicant to oversee the project and to serve as the main point of contact for the Energy Commission.
Project Partner	An entity or individual that contributes financially or otherwise to the project (e.g., match funding, provision of a demonstration site), and does not receive Energy Commission funds.
Recipient	The recipient of an award under this solicitation.
Solicitation	This entire document, including all attachments and exhibits ("solicitation" may be used interchangeably with "grant funding opportunity").
State	State of California.
Zero-Net Energy	A Zero-Net Energy Code Building is one where the net amount of energy produced by on-site renewable energy resources is equal to the value of the energy consumed annually by the building, at the level of a single "project" seeking development entitlements and

Word/Term	Definition
	building code permits, measured using the California Energy Commission's Time Dependent Valuation metric. <sup>1</sup>

### C. APPLICANTS' ADMONISHMENT

This solicitation contains application requirements and instructions. Applicants are responsible for **carefully reading** the solicitation, asking appropriate questions in a timely manner, ensuring that all solicitation requirements are met, submitting all required responses in a complete manner by the required date and time, and **carefully rereading** the solicitation before submitting an application. In particular, please carefully read the **Screening/Scoring Criteria and Grounds for Rejection** in Part IV, and the terms and conditions located at: <http://www.energy.ca.gov/research/contractors.html>.

Applicants are responsible for the cost of developing applications. This cost cannot be charged to the State. All submitted documents will become public records upon the posting of the Notice of Proposed Award.

### D. BACKGROUND

#### 1. Electric Program Investment Charge (EPIC) Program

This solicitation will award projects funded by the EPIC, an electricity ratepayer surcharge established by the California Public Utilities Commission (CPUC) in December 2011.<sup>2</sup> The purpose of the EPIC program is to benefit the ratepayers of three investor-owned utilities (IOUs), including Pacific Gas and Electric Co., San Diego Gas and Electric Co., and Southern California Edison Co. The EPIC program funds clean energy technology projects that promote greater electricity reliability, lower costs, and increased safety.<sup>3</sup> In addition to providing IOU ratepayer benefits, funded projects must lead to technological advancement and breakthroughs to overcome the barriers that prevent the achievement of the state's statutory energy goals.<sup>4</sup> The EPIC program is administered by the California Energy Commission and the IOUs.

#### 2. Program Areas, Strategic Objectives, and Funding Initiatives

EPIC projects must fall within the following **program areas** identified by the CPUC:

- Applied research and development;
- Technology demonstration and deployment; and
- Market facilitation

In addition, projects must fall within one of 18 general focus areas ("**strategic objectives**") identified in the Energy Commission's EPIC Investment Plan and within one or more specific

<sup>1</sup> California Energy Commission. 2013. **2013 Integrated Energy Policy Report**. Publication Number: CEC-100-2013-001-CMF, page 5.

<sup>2</sup> See CPUC "Phase 1" Decision 11-12-035, December 15, 2011, [http://docs.cpuc.ca.gov/PublishedDocs/WORD\\_PDF/FINAL\\_DECISION/156050.PDF](http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/156050.PDF).

<sup>3</sup> See CPUC "Phase 2" Decision 12-05-037, May 24, 2012, [http://docs.cpuc.ca.gov/PublishedDocs/WORD\\_PDF/FINAL\\_DECISION/167664.PDF](http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/167664.PDF).

<sup>4</sup> California Public Resources Code, Section 25711.5(a), <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=prc&group=25001-26000&file=25710-25712>.

focus areas (“**funding initiatives**”) identified in the plan.<sup>5</sup> This solicitation targets the following program area(s), strategic objective(s), and funding initiative(s):

- **Program Area:** Market Facilitation

**Strategic Objective S16 of the EPIC 2012-2014 Triennial Investment Plan:**

Collaborate with local jurisdictions and stakeholder groups in IOU territories to establish strategies for enhancing current regulatory assistance and permit streamlining efforts that facilitate coordinated investments and widespread deployment of clean energy infrastructure;

- **Funding Initiative S16.2:** Provide Planning Grants to Cities and Counties to Incorporate Clean Energy Technology Planning and Permitting Processes

- **Program Area:** Technology Demonstration and Deployment

**Strategic Objective S12 of the EPIC 2015-2017 Triennial Investment Plan:**

Overcome Barriers to Emerging Energy Efficiency and Demand-Side Management Solutions through Demonstrations in New and Existing Buildings.

- **Funding Initiative S12.2:** Demonstrate Large-Scale Deployment of Integrated Demand-Side Management and Demand Response Programs in Buildings.

### **3. Applicable Laws, Policies, and Background Documents**

This solicitation addresses the energy goals described in the following laws, policies, and background documents.

#### Laws/Regulations

- **Assembly Bill (AB) 32 (“The Global Warming Solutions Act of 2006”)**

AB 32 created a comprehensive program to reduce greenhouse gas (GHG) emissions in California. GHG reduction strategies include a reduction mandate of 1990 levels by 2020 and a cap-and-trade program. AB 32 also required the California Air Resources Board (ARB) to develop a Scoping Plan that describes the approach California will take to reduce GHGs. ARB must update the plan every five years.

Additional information: <http://www.arb.ca.gov/cc/ab32/ab32.htm>

Applicable Law: California Health and Safety Code §§ 38500 et. seq.

- **Assembly Bill (AB) 327 (Distributed resource planning requirements - 2013)**

This legislation requires each IOU to prepare a distribution resources plan to identify optimal locations for distributed renewable generation resources, energy efficiency, energy storage, EVs, and demand response (DR) technologies consistent with the goal of yielding net benefits to ratepayers. These plans are due to the CPUC by June 1, 2015, and will inform local governments of anticipated needs so they can identify and include compliance safety standards when permitting next generation clean energy technologies, such as storage and microgrids.

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<sup>5</sup> [http://www.energy.ca.gov/research/epic/documents/final\\_documents\\_submitted\\_to\\_CPUC/2012-11-01\\_EPIC\\_Application\\_to\\_CPUC.pdf](http://www.energy.ca.gov/research/epic/documents/final_documents_submitted_to_CPUC/2012-11-01_EPIC_Application_to_CPUC.pdf).

- **Renewables Portfolio Standard (Senate Bill (SB) X1-2, Statutes of 2011-12, First Extraordinary Session)**

SB X1-2 requires that all California electricity retailers adopt the goals of 20 percent of retail sales from renewable energy sources by the end of 2013, 25 percent by the end of 2016, and 33 percent by the end of 2020.

- **AB 758, Building Efficiency (Statutes of 2009)**

AB 758 requires the Energy Commission to collaborate with the California Public Utilities Commission and stakeholders to develop a comprehensive program to achieve greater energy savings in existing residential and nonresidential buildings. The Energy Commission developed a *Comprehensive Energy Efficiency Program for Existing Buildings Scoping Report* in 2012, and plans to develop voluntary and mandatory strategies and approaches to achieve energy savings.

Additional information: <http://www.energy.ca.gov/ab758/>

Applicable Law: California Public Resources Code § 25943, California Public Utilities Code §§ 381.2 and 385.2

- **AB 1109 (“The California Lighting Efficiency and Toxics Reduction Act”, Statutes of 2007)**

AB 1109 places restrictions on the manufacture and sale of certain general purpose lights (i.e., lamps, bulbs, tubes, and other electric devices that provide functional illumination for indoor and outdoor use) that contain hazardous substances. It also requires the Energy Commission to adopt minimum energy efficiency standards for general purpose lights and to make recommendations to the Governor and Legislature regarding the continuation of reduced lighting consumption beyond 2018.

Additional Information: <http://www.energy.ca.gov/2008publications/CEC-400-2008-015/CEC-400-2008-015.PDF>

Applicable Law: California Health and Safety Code §§ 25210.9 et. seq., California Public Resources Code § 25402.5.4

- **Assembly Bill (AB) 2514 - Energy Storage Systems (Statutes of 2010)**

AB 2514 required the CPUC to determine targets for the procurement of viable, cost-effective energy storage systems by load-serving entities. The CPUC adopted the procurement targets in Decision 13-10-040, issued on October 17, 2013 (see the summary of Decision 13-10-040 in the “Policies/Plans” section below).

Additional information: <http://www.cpuc.ca.gov/PUC/energy/electric/storage.htm>

Applicable Law: California Public Utilities Code §§ 2835 et. seq., and § 9620

([http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab\\_2501-2550/ab\\_2514\\_bill\\_20100929\\_chaptered.pdf](http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab_2501-2550/ab_2514_bill_20100929_chaptered.pdf))

- **Appliance Efficiency Regulations**

The Energy Commission promulgates appliance efficiency regulations that require manufacturers of various new appliances sold or offered for sale in California to test them using specified test methods. Covered appliances include refrigerators, air conditioners, heaters, plumbing fitting/fixtures, lighting, washers, dryers, cooking products, electric motors, transformers, power supplies, televisions, and battery charger systems.

Additional information: <http://www.bsc.ca.gov/>; <http://www.energy.ca.gov/appliances/>  
 Applicable Law: California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4, §§ 1601 et. seq.

- **California Energy Code**

The Energy Code is a component of the California Building Standards Code, and is published every three years through the collaborative efforts of state agencies including the California Building Standards Commission and the Energy Commission. The Code ensures that new and existing buildings achieve energy efficiency and preserve outdoor and indoor environmental quality through use of the most energy efficient technologies and construction.

Additional information: <http://www.energy.ca.gov/title24/>

Applicable Law: California Code of Regulations, Title 24, Part 6 and associated administrative regulations in Part 1

- **Sustainable Community Planning in SB 375 (2008)**

SB 375 instructs the California Air Resources Board to set regional emission's reduction targets from passenger vehicles. The Metropolitan Planning Organization for each region must then develop a "Sustainable Communities Strategy" that integrates transportation, land-use and housing policies to plan for achievement of the emissions target for their region.

Additional information: <http://www.arb.ca.gov/cc/sb375/sb375.htm>

### Policies/Plans

- **CPUC's Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distribution Resources Plans Pursuant to Public Utilities Code Section 769. (R. 14-08-013) (2013)**

The purpose of this rulemaking is to establish policies, procedures, and rules to guide California IOUs in developing their Distributed Resource Plans. Under this rulemaking, "distributed resources" includes distributed renewable generation resources, energy efficiency, energy storage, electric vehicles, and demand response technologies.

Additional information:

[http://www.cpuc.ca.gov/PUC/energy/Distribution\\_Resources\\_Plan.htm](http://www.cpuc.ca.gov/PUC/energy/Distribution_Resources_Plan.htm)

- **CPUC's Alternative-Fueled Vehicle Programs, Tariffs, and Policies Order Instituting Rulemaking (R.13-11-007) (2013)**

The AFV Rulemaking includes two policy focused tracks, including evaluation of the potential and value of vehicle-grid integration and the development of new alternative fuel vehicle tariffs in each of the three largest investor-owned utilities.

Additional information: <http://www.cpuc.ca.gov/PUC/energy/altvehicles/>

- **Governor's Clean Energy Jobs Plan (2011)**

In June 2011, Governor Jerry Brown announced a plan to invest in clean energy and increase efficiency. The plan includes a goal of producing 20,000 megawatts (MW)

of renewable electricity by 2020 by taking the following actions: addressing peak energy needs, developing energy storage, creating efficiency standards for buildings and appliances, and developing combined heat and power (CHP) projects. Specific goals include building 8,000 MW of large-scale renewable and transmission lines, 12,000 MW of localized energy, and 6,500 MW of CHP.

Additional information: [http://gov.ca.gov/docs/Clean\\_Energy\\_Plan.pdf](http://gov.ca.gov/docs/Clean_Energy_Plan.pdf)

- **Bioenergy Action Plan (2012)**

Various California state agencies developed the 2012 Bioenergy Action Plan to accelerate clean energy development, job creation, and protection of public health and safety. The plan recommends actions to increase the sustainable use of organic waste, expand research and development of bioenergy facilities, reduce permitting and regulatory challenges, and address economic barriers to bioenergy development.

Additional information:

[http://www.resources.ca.gov/docs/2012\\_Bioenergy\\_Action\\_Plan.pdf](http://www.resources.ca.gov/docs/2012_Bioenergy_Action_Plan.pdf)

- **Integrated Energy Policy Report (Biennial)**

California Public Resources Code Section 25302 requires the Energy Commission to release a biennial report that provides an overview of major energy trends and issues facing the state. The IEPR assesses and forecasts all aspects of energy industry supply, production, transportation, delivery, distribution, demand, and pricing. The Energy Commission uses these assessments and forecasts to develop energy policies.

Additional information: <http://www.energy.ca.gov/energypolicy>

Applicable Law: California Public Resources §§ 25300 et. seq.

- **CPUC Decision 13-10-040, “Decision Adopting Energy Storage Procurement Framework and Design Program” (2013)**

The Decision establishes policies and mechanisms for energy storage procurement, as required by AB 2514 (described above). The IOU procurement target is 1,325 megawatts of energy storage by 2020, with installations required no later than the end of 2024.

Additional information:

[http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M079/K5\\_33/79533378.PDF](http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M079/K5_33/79533378.PDF)

- **CPUC’s Energy Efficiency Strategic Plan (2008)**

The Energy Efficiency Strategic Plan creates a roadmap for achieving energy efficiency within the residential, commercial, industrial, and agricultural sectors. The plan was updated in January 2011 to include a lighting chapter.

Additional information: <http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/eesp/>

- **AB 2188 – Streamlined Solar Permitting**

AB 2188 requires the state’s cities and counties to adopt streamlined solar permitting processes by September 30, 2015. Adopting a modernized and standardized permitting process for installations of small-scale solar distributed generation

technology on residential rooftops will increase the deployment of solar distributed generation, help to expand access to lower income households, provide solar customers greater installation ease, improve the state's ability to reach its clean energy goals, and generate much needed jobs in the state, all while maintaining safety standards.

[Additional information: http://www.opr.ca.gov/s\\_renewableenergy.php](http://www.opr.ca.gov/s_renewableenergy.php)

- **New Residential Zero Net Energy Action Plan 2015-2020**

The Residential New Construction Zero Net Energy Action Plan supports the California Energy Efficiency Strategic Plan's goal to have 100 percent of new homes achieve zero net energy beginning in 2020. The action plan provides a foundation for the development of a robust and self-sustaining zero net energy market for new homes.

Additional information: <http://www.californiaznehomes.com/>

- **California's Existing Buildings Energy Efficiency Action Plan Draft**

The Existing Buildings Energy Efficiency Action Plan provides a 10-year roadmap to activate market forces and transform California's existing residential, commercial, and public building stock into high performing and energy efficient buildings. The Plan provides a comprehensive framework centered on five goals, each with an objective and a series of strategies to achieve it. Each strategy includes industry and/or government implementation partners.

Additional Information:

[http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-05/TN203806\\_20150310T093903\\_California%E2%80%99s\\_Existing\\_Buildings\\_Energy\\_Efficiency\\_Action\\_Plan.pdf](http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-05/TN203806_20150310T093903_California%E2%80%99s_Existing_Buildings_Energy_Efficiency_Action_Plan.pdf)

- **Executive Order B-29-15**

Governor Brown's Executive Order B-29-15 proclaims the severity of the drought conditions in California and directs the Energy Commission to invest in new technologies that will achieve water and energy savings and greenhouse gas reductions.

- **Executive Order B-30-15**

Governor Brown's Executive Order B-30-15 established a new interim state wide greenhouse gas emission reduction target to reduce greenhouse gas emissions to 40 percent below 1990 levels by 2030, to ensure California meets its target of reducing greenhouse gas emissions to 80 percent below 1990 levels by 2050.

### Reference Documents

Refer to the link below for information about activities related to this solicitation:

- Draft Existing Buildings Energy Efficiency Action Plan  
<http://www.energy.ca.gov/ab758/documents/index.html>

- California Energy Efficiency Finance Pilots  
[http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K1\\_82/77182202.pdf](http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K1_82/77182202.pdf)

**E. FUNDING**

**1. Amount Available and Minimum/ Maximum Funding Amounts**

There is up to \$48,253,180 available for grants awarded under this solicitation. Applicants must indicate in their proposal which group they are applying for. The total and maximum funding amounts for each group are listed below. Only successful projects from group 1 will be eligible to apply for group 5; successful projects from group 2 will be eligible to apply for group 6; and successful projects from groups 3 and 4 will be eligible to apply for group 7.

Project Group	Available Funding	Maximum award amount
<b>Phase I: 2015 Release</b>		
Group 1: Advanced Energy Community; Northern California	\$4.5 million	\$1.5 million
Group 2: Advanced Energy Community; Southern California	\$4.5 million	\$1.5 million
Group 3: Advanced Energy Community Located in a Disadvantaged Community; Northern California	\$4.5 million	\$1.5 million
Group 4: Advanced Energy Community Located in a Disadvantaged Community; Southern California	\$4.5 million	\$1.5 million
<b>Phase II: 2018 Release</b>		
Group 5: Advanced Energy Community; Northern California Build Out	\$8 million	\$8 million
Group 6: Advanced Energy Community; Southern California Build Out	\$8 million	\$8 million
Group 7: Disadvantaged Communities Build-out	\$14 million	\$14 million

The eligibility of each project group is determined by the location of the proposed Advanced Energy Community project, *not* the location of the applicant.

For purposes of this solicitation Northern California is defined as the following counties: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Inyo, Kern, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, and Yuba.

For purposes of this solicitation, Southern California is defined as the following counties: Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura.

## 2. **Match Funding Requirement**

Match funding is not required for Phase I of this solicitation. However, applications that include match funding will receive additional points during the scoring phase. **Match funding is required for Phase II of this solicitation, in the amount of at least 100 percent of the requested project funds.**

- **“Match funds”** include: (1) “cash in hand” funds; (2) equipment; (3) materials; (4) information technology services; (5) travel; (6) subcontractor costs; (7) contractor/project partner in-kind labor costs; and (8) “advanced practice” costs. Match funding sources include the prime contractor, subcontractors, and pilot testing/demonstration/deployment sites (e.g., test site staff services).

**“Match funds” do not include:** Energy Commission awards, EPIC funds received from other sources, future/contingent awards from other entities (public or private), the cost or value of the project work site, or the cost or value of structures or other improvements affixed to the project work site permanently or for an indefinite period of time (e.g., photovoltaic systems).

Definitions of “match funding” categories are listed below.

- **“Cash in hand” Funds** means funds that are in the recipient’s possession and are reserved for the proposed project, meaning that they have not been committed for use or pledged as match for any other project. “Cash in hand” funds include funding awards earned or received from other agencies for the proposed technologies or study (but not for the identical work). As applicable, proof that the funds exist as cash is required at the project kick-off meeting. Cash in hand funds will be considered more favorably than other types of match funding during the scoring phase.
- **“Equipment”** means an item with a unit cost of at least \$5,000 and a useful life of at least one year. **Purchasing equipment with match funding is encouraged** because there are no disposition requirements at the end of the agreement for such equipment. Typically, grant recipients may continue to use equipment purchased with Energy Commission funds if the use is consistent with the intent of the original agreement.
- **“Materials”** means tangible project items that cost less than \$5,000 and have a useful life of less than one year.
- **“Information Technology Services”** means the design, development, application, implementation, support, and management of computer-based information systems directly related to the tasks in the Scope of Work. All information technology services in this area must comply with the electronic file format requirements in Subtask 1.1 (Products) of the Scope of Work (Attachment 6).
- **“Travel”** means all travel required to complete the tasks identified in the Scope of Work. Travel includes in-state and out-of-state travel, and travel to conferences. Use of match funds for out-of-state travel and travel to conferences is encouraged.
- **“Subcontractor Costs”** means all costs incurred by subcontractors for the project, including labor and non-labor costs.

- **“Contractor/Project Partner In-Kind Labor Costs”** means contractor or project partner labor costs that are not charged to the Energy Commission.
- **“Advanced Practice Costs”** means costs not charged to the Energy Commission that represent the incremental cost difference between standard and advanced practices, measures, and products used to implement the proposed project. For example, if the cost of purchasing and/or installing insulation that meets the applicable building energy efficiency standard is \$1/square foot and the cost of more advanced, energy efficient insulation is \$3/square foot, the Recipient may count up to \$2/square foot as match funds.
- Match funds may be spent only during the agreement term, either before or concurrently with EPIC funds. Match funds also must be reported in invoices submitted to the Energy Commission.
- All applicants providing match funds must submit commitment letters that: (1) identify the source(s) of the funds; (2) justify the dollar value claimed; (3) provide an unqualified (i.e., without reservation or limitation) commitment that guarantees the availability of the funds for the project; and (4) provide a strategy for replacing the funds if they are significantly reduced or lost. Please see Attachment 11, Commitment and Support Letter Form.

### 3. **Change in Funding Amount**

The Energy Commission reserves the right to:

- Increase or decrease the available funding and the group minimum/maximum award amounts described in this section.
- Allocate any additional or unawarded funds to passing applications, in rank order.
- Reduce funding to an amount deemed appropriate if the budgeted funds do not provide full funding for agreements. In this event, the Recipient and Commission Agreement Manager will reach agreement on a reduced Scope of Work commensurate with available funding.

Awarding funds for Phase I does not guarantee any awarding of funds for Phase II. Phase II projects will be selected on a competitive basis, and the Energy Commission reserves the right to not award any funds in Phase II if the proposals received do not meet the criteria set for Phase II evaluation.

## **F. KEY ACTIVITIES SCHEDULE**

Key activities, dates, and times for this solicitation and for agreements resulting from this solicitation are presented below. An addendum will be released if the dates change for activities that appear in **bold**.

Specific dates for all Phase II related items will be identified as part of a solicitation amendment.

ACTIVITY	DATE	TIME <sup>6</sup>
Solicitation Release	November 25, 2015	
<b>Pre-Application Workshop</b>	<b>December 8, 2015</b>	<b>1:30 p.m.</b>
<b>Deadline for Written Questions for Phase I<sup>7,8</sup></b>	<b>December 9, 2015</b>	<b>5:00 p.m.</b>
Anticipated Distribution of Questions and Answers	Week of December 21, 2015	
<b>Deadline to Submit Applications for Phase I</b>	<b>February 5, 2016</b>	<b>3:00 p.m.</b>
Anticipated Notice of Proposed Award Posting Date (Phase I Projects)	Week of March 7, 2016	
Anticipated Energy Commission Business Meeting Date (Phase I Projects)	May 2016	
<b>Anticipated Agreement Start Date (Phase I Projects)</b>	<b>May 2016</b>	
Anticipated Agreement End Date (Phase I Projects)	March 2018	
Release of Phase II Solicitation Amendment	March 2018	
<b>Pre-Application Workshop</b>	<b>March 2018</b>	
<b>Deadline for Written Questions for Phase II</b>	<b>March 2018</b>	<b>5:00 p.m.</b>
Anticipated Distribution of Questions and Answers for Phase II	April 2018	
<b>Deadline to Submit Applications for Phase II</b>	<b>May 2018</b>	<b>3:00 p.m.</b>
Anticipated Notice of Proposed Award Posting Date	June 2018	
Anticipated Energy Commission Business Meeting	July 2018	
Anticipated Agreement Start Date (Phase II Projects)	July 2018	
Anticipated Agreement End Date (Phase II Projects)	March 2023	

## G. PRE-APPLICATION WORKSHOP

Energy Commission staff will hold one Pre-Application Workshop for Phase I to discuss the solicitation with applicants. Participation is optional but encouraged. Applicants may attend the workshop in-person, via the internet (WebEx, see instructions below), or via conference call on the date and at the time and location listed below. Please call (916) 654-4381 or refer to the Energy Commission's website at [www.energy.ca.gov/contracts/index.html](http://www.energy.ca.gov/contracts/index.html) to confirm the date and time.

<sup>6</sup> Pacific Standard Time or Pacific Daylight Time, whichever is being observed.

<sup>7</sup> This deadline does not apply to non-technical questions (e.g., questions concerning application format requirements or attachment instructions) or to questions that address an ambiguity, conflict, discrepancy, omission, or other error in the solicitation. Such questions may be submitted to the Commission Agreement Officer listed in Section H at any time prior to the application deadline. Please see Section H for additional information.

<sup>8</sup> Questions for Phase II will be accepted during this question submittal period, though applicants will have an additional chance to ask questions regarding Phase II once the Solicitation Amendment has been issued.

A separate Pre-Application Workshop for Phase II will be held when the solicitation amendment for Phase II is released. Details of that workshop will be part of the solicitation amendment.

**Date and time:** December 8, 2015, 1:30 pm

**Location:** California Energy Commission  
1516 9th Street  
Sacramento, CA 95814  
Charles R. Imbrecht Hearing Room

**WebEx Instructions:**

- To join the WebEx meeting, go to <https://energy.webex.com> and enter the meeting number and password below:

**Meeting Number:** 920 824 471

**Meeting Password:** meeting@130

**Topic:** Pre-Bid Conference for GFO-15-312: The EPIC Challenge

- To Logon with a Direct Phone Number: After logging into WebEx, a prompt will appear on-screen for a phone number. In the "Number" box, enter your area code and phone number and click "OK" to receive a call for the audio of the meeting. International callers may use the "Country/Region" button to help make their connection.
- To Logon with an Extension Phone Number: After you login, a prompt will ask for your phone number. Select "CANCEL." Call **1-866-469-3239** (toll-free in the U.S. and Canada). When prompted, enter the meeting number above and the unique Attendee ID number listed in the top left area of the screen after login. International callers may dial in using the "Show all global call-in numbers" link (also in the top left area).

**Telephone Access Only:**

Call **1-866-469-3239** (toll-free in the U.S. and Canada). When prompted, enter the meeting number above. International callers may select their number from <https://energy.webex.com/energy/globalcallin.php>.

**Technical Support:**

- For assistance with problems or questions about joining or attending the meeting, please call WebEx Technical Support at **1-866-229-3239**. You may also contact Anthony Ng at (916) 445-5297.
- System Requirements: To determine whether your computer is compatible, visit: <http://support.webex.com/support/system-requirements.html>.
- Meeting Preparation: The playback of UCF (Universal Communications Format) rich media files requires appropriate players. Please determine whether the players are installed on your computer by visiting: <https://energy.webex.com/energy/systemdiagnosis.php>.

## H. QUESTIONS

During the solicitation process, direct questions to the Commission Agreement Officer listed below:

Janna Franks, Commission Agreement Officer  
California Energy Commission  
1516 Ninth Street, MS-18  
Sacramento, California 95814  
Telephone: (916) 654-4921  
FAX: (916) 654-4423  
E-mail: [Janna.Franks@energy.ca.gov](mailto:Janna.Franks@energy.ca.gov)

Applicants may ask questions at the Pre-Application Workshop, and may submit written questions via mail, electronic mail, and by FAX. However, all **technical** questions must be received by the deadline listed in the “Key Activities Schedule” above. **Non-technical** questions (e.g., questions concerning application format requirements or attachment instructions) may be submitted to the Commission Agreement Officer at any time prior the application deadline.

A question and answer document will be e-mailed to all parties who attended the Pre-Application Workshop and provided their contact information on the sign-in sheet. The questions and answers will also be posted on the Commission’s website at: <http://www.energy.ca.gov/contracts/index.html>.

If an applicant discovers an **ambiguity, conflict, discrepancy, omission, or other error** in the solicitation after the deadline for written questions but prior to the application deadline, the applicant may notify the Energy Commission in writing and request modification or clarification of the solicitation. The Energy Commission will provide modifications or clarifications by written notice to all parties who requested the solicitation. At its discretion, the Energy Commission may re-open the question/answer period to provide all applicants the opportunity to seek any further clarification required. *If an applicant submits a question after the deadline for written questions that does not concern a non-technical issue or a solicitation ambiguity, conflict, discrepancy, omission, or other error, the Commission Agreement Officer will refer the applicant to the solicitation documents for guidance.*

Any verbal communication with a Commission employee concerning this solicitation is not binding on the State and will in no way alter a specification, term, or condition of the solicitation. Therefore, all communication should be directed in writing to the assigned Commission Agreement Officer.

## II. Eligibility Requirements

### A. APPLICANT REQUIREMENTS

#### 1. Eligibility

This solicitation is open to all public and private entities and individuals with the exception of publicly-owned utilities. In accordance with CPUC Decision 12-05-037, funds administered by the Energy Commission may not be used for any purposes associated with publicly-owned utility activities. Applicants must gather a multidisciplinary team which must include one or more local or regional government entity.

#### 2. Terms and Conditions

Each grant agreement resulting from this solicitation will include terms and conditions that set forth the recipient's rights and responsibilities. By signing the Application Form (Attachment 1), each applicant agrees to enter into an agreement with the Energy Commission to conduct the proposed project according to the terms and conditions that correspond to its organization, without negotiation: (1) University of California terms and conditions; (2) U.S. Department of Energy terms and conditions; or (3) standard terms and conditions. The terms and conditions for the respective entities can be found here:

- University of California Terms and Conditions:  
[http://www.energy.ca.gov/contracts/epic\\_terms\\_segmented/EPIC\\_UC\\_Grant\\_Terms.pdf](http://www.energy.ca.gov/contracts/epic_terms_segmented/EPIC_UC_Grant_Terms.pdf)
- Department of Energy Terms and Conditions:  
[http://www.energy.ca.gov/contracts/epic\\_terms\\_segmented/EPIC\\_LBNL\\_Grant\\_Terms.pdf](http://www.energy.ca.gov/contracts/epic_terms_segmented/EPIC_LBNL_Grant_Terms.pdf)
- Standard Terms and Conditions:  
[http://www.energy.ca.gov/contracts/epic\\_terms\\_segmented/EPIC\\_Standard\\_Grant\\_Terms\\_and\\_Conditions.pdf](http://www.energy.ca.gov/contracts/epic_terms_segmented/EPIC_Standard_Grant_Terms_and_Conditions.pdf)

Failure to agree to the terms and conditions by taking actions such as failing to sign the Application Form or indicating that acceptance is based on modification of the terms will result in **rejection** of the application. Applicants **must read** the terms and conditions carefully. The Energy Commission reserves the right to modify the terms and conditions prior to executing grant agreements.

#### 3. California Secretary of State Registration

California business entities and non-California business entities that conduct intrastate business in California and are required to register with the California Secretary of State must do so and be in good standing in order to enter into an agreement with the Energy Commission. If not currently registered with the California Secretary of State, applicants should contact the Secretary of State's Office as soon as possible. For more information, visit the Secretary of State's website at: [www.sos.ca.gov](http://www.sos.ca.gov).

### B. PROJECT REQUIREMENTS

#### 1. Technology Pipeline Stage

For Phase I, projects must fall within the "market facilitation" stage, which includes activities such as development planning, regulatory assistance and streamlining, and market research to

support clean energy technology and strategy deployment.<sup>9</sup> All projects must be located in an IOU service territory.

For Phase II, projects must fall within the “technology demonstration and deployment” stage, which includes activities that involve the installation and operation of pre-commercial and emerging technologies or strategies in actual operating environments to enable appraisal of the operational and performance characteristics and the financial risks. All projects must be located in an IOU service territory.

## **2. Project Focus**

### Phase I

The Energy Commission is seeking to fund projects that demonstrate the feasibility of innovative planning, permitting and financing approaches at the local and regional levels to incentivize the development of Advanced Energy Communities. Funded projects will serve as models for local governments that want to encourage sustainable development. Replicability and the transfer of knowledge gained from these projects are a primary goal. For purposes of this solicitation, Advanced Energy Communities are communities that:

- Minimize the need for new energy infrastructure costs such as transmission and distribution upgrades.
- Provide energy savings by achieving and maintaining zero net energy community status (accounting for behavior and increasing loads from vehicle and appliance electrification).
- Support grid reliability and resiliency by incorporating technologies such as energy storage.
- Provide easier grid integration and alignment with the California Public Utilities Commissions (CPUC) Long-Term Procurement Plan, and the California Independent System Operator’s local capacity requirements process.
- Can be replicated and scaled-up to further drive down costs.
- Are financially attractive from a market standpoint.
- Provide affordable access to renewable energy generation, energy efficiency upgrades, and water efficiency and reuse technologies that reduce electricity consumption for all electric ratepayers within the community.
- Makes use of smart-grid technologies throughout the community.
- Align with other state energy and environmental policy goals at the community level such as the Sustainable Communities and Environmental Protecting Act (Senate Bill 375) and Governor Brown’s Executive Order B-29-15 for the drought.

Project teams must include one or more local city or county governments. Other recommended team members include, but are not limited to: building developers, property managers, real estate agents, technology vendors, researchers, utilities, and financiers. All recipients for this solicitation will be encouraged to collaborate with each other throughout the terms of the projects to give each recipient the opportunity to learn from the experiences of their peers, as well as to better promote a unified effort across all jurisdictions receiving funding. The premise

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<sup>9</sup> See CPUC “Phase 2” Decision 12-05-037 at pp. 61-62 and 90, [http://docs.cpuc.ca.gov/PublishedDocs/WORD\\_PDF/FINAL\\_DECISION/167664.PDF](http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/167664.PDF).

of this solicitation is that to achieve the true benefit of wide-spread deployment of Advanced Energy Communities and realize accompanying cost savings to future residents and homeowners, **a cooperative model is needed between developers, permitting agencies, and financiers.** Examples of collaboration include joint Technical Advisory Committee (TAC) meetings and joint workshops.

**The Technical Merits of the Project Narrative (Attachment 4) should describe at a minimum, how the project plans to address the following questions:**

- How can the risks and uncertainties surrounding the design, permitting, planning, and financing of these types of communities be minimized or addressed?
- What combination of emerging and proven clean energy technologies and systems offer the best value in terms of economic, environmental, and technical performance?
- What innovative financing strategies can be used to support the development of these types of communities and make them more financially attractive relative to similar community developments without advanced energy attributes?
- Where are the optimal locations within a jurisdiction for designing and deploying these communities that offer the most benefit to ratepayers and the electric grid?
- What are potential business models or collaborative strategies among developers, local governments, investor-owned utilities, etc. that will accelerate the deployment of Advanced Energy Communities?

**The Technical Approach of the Project Narrative (Attachment 4) should describe at a minimum, the following:**

- Actions or steps already adopted by the local jurisdiction to meet the goals of existing state and regional climate and energy plans. Examples of these plans include the California Climate Adaptation Planning Guide, and the Desert Renewable Energy Conservation Plan.<sup>10,11</sup>
- Analytical tools, software applications, and data that will be used to improve the design, planning, and permitting of the Advanced Energy Community.
- How the applicant will work with various project partners and stakeholder groups to develop a replicable approach for local governments to plan, permit, and finance an Advanced Energy Community.
- How the community will capture lessons learned and best practices, and how those will be turned into useful guidance for future Advanced Energy Communities.

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<sup>10</sup> Additional information on the Climate Adaptation Planning Guide can be found here: [http://resources.ca.gov/climate/safeguarding/adaptation\\_policy\\_guide/](http://resources.ca.gov/climate/safeguarding/adaptation_policy_guide/)

<sup>11</sup> Information on the Desert Renewable Energy Conservation Plan can be found here: <http://www.drecp.org/>

**The Project Narrative (Attachment 4), as well as the Technical Tasks in Part III of the Scope of Work (Attachment 6) must also incorporate a plan to accomplish the following:**

- Develop a case study documenting the actions taken – such as adopting regulatory changes at the local or regional level to increase process certainty for building developers - to reduce the time, cost, and administrative cost to plan and permit Advanced Energy Communities. Any additional training that is needed by local officials to accomplish these regulatory changes is allowed. Case studies should also include analysis on how the development of an Advanced Energy Community will impact savings on distribution infrastructure.
- Develop a Master Community Design showcasing a real world conceptual design of a proposed Advanced Energy Community. The community design should include descriptions of the proposed location(s) for the development, tentative maps, engineering designs of proposed buildings, streets, community spaces, energy technologies to be deployed, water conservation features, water saving technologies, potential interconnection sites, advanced energy infrastructure, and how these elements are combined in a systems approach.
- Using the lessons learned from developing both the case study and the master community design, develop tools and recommendations for use in planning and building departments to allow for more streamlined review of future submittals of Advanced Energy Community plans.
- Develop comprehensive financial and business models showcasing innovative financing strategies that can help make Advanced Energy Communities financially attractive relative to similar community developments without advanced energy attributes.
- Develop an outreach strategy, supported by education and outreach materials, including, but not limited to, journal articles, webinars, and conference presentations. These materials will inform other local governments and developers of project costs and benefits; the approaches and methods used to overcome planning, permitting and financing barriers; and the benefits to ratepayers and grid reliability and safety.

At the conclusion of the project term, all recipients will be invited to an event hosted by the applicant and the Energy Commission to share their case studies and Advanced Energy Community designs. This event will be open to the public and allow participants to better promote the lessons learned resulting from this solicitation's projects, and share them with a wider audience.

## Phase II

An amendment to this solicitation manual with additional details and criteria for Phase II will be provided at a future time. Applicants who have received Phase I funding and wish to compete for Phase II funding will need to submit a new proposal that meets the eligibility and scoring criteria that will be identified in the amendment. Those proposals will be subjected to a new round of scoring from which the recipients of Phase II funding will be chosen.

Only successful projects from group 1 will be eligible to apply for group 5; successful projects from group 2 will be eligible to apply for group 6; and successful projects from groups 3 and 4 will be eligible to apply for group 7.

Applicants must accomplish the following to be eligible for Phase II funding:

- Submit the case study developed during Phase I
- Submit the real world conceptual design developed during Phase I and highlight any changes the applicant intends to make for their build-out under Phase II.
- Demonstrate that the applicant has secured sufficient financing in addition to the grant amount requested in order to complete development of the project, and secure the necessary permits
- Demonstrate that a California Environmental Quality Act (CEQA) review has been completed prior to the adoption of any Phase II agreements at an Energy Commission Business Meeting.

### **3. Ratepayer Benefits, Technological Advancements, and Breakthroughs**

California Public Resources Code Section 25711.5(a) requires EPIC-funded projects to:

- **Benefit electricity ratepayers;** and
- **Lead to technological advancement and breakthroughs to overcome the barriers that prevent the achievement of the state's statutory energy goals.**

The CPUC defines "ratepayer benefits" as **greater reliability, lower costs, and increased safety.**<sup>12</sup> The CPUC has also adopted the following guiding principles as complements to the key principle of electricity ratepayer benefits: societal benefits; GHG emissions mitigation and adaptation in the electricity sector at the lowest possible cost; the loading order; low-emission vehicles/transportation; economic development; and efficient use of ratepayer monies.<sup>13</sup>

Accordingly, the Project Narrative Form (Attachment 4) and the "Goals and Objectives" section of the Scope of Work Template (Attachment 6) must describe how the project will: (1) benefit California IOU ratepayers by increasing reliability, lowering costs, and/or increasing safety; and (2) lead to technological advancement and breakthroughs to overcome barriers to achieving the state's statutory energy goals.

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<sup>12</sup> *Id.* at p. 19.

<sup>13</sup> *Id.* at pp. 19-20.

### III. Application Organization and Submission Instructions

#### A. APPLICATION FORMAT, PAGE LIMITS, AND NUMBER OF COPIES

The following table summarizes the application formatting and page limit requirements:

<b>Format</b>	<ul style="list-style-type: none"> <li>• <b>Font:</b> 11-point, Arial (excluding Excel spreadsheets, original template headers and footers, and commitment or support letters)</li> <li>• <b>Margins:</b> No less than one inch on all sides (excluding headers and footers)</li> <li>• <b>Spacing:</b> Single spaced, with a blank line between each paragraph</li> <li>• <b>Pages:</b> Numbered and printed double-sided (when determining page limits, each printed side of a page counts as one page)</li> <li>• <b>Signatures:</b> Manual (i.e., not electronic)</li> <li>• <b>Labeling:</b> Tabbed and labeled as required in Sections D and E below</li> <li>• <b>Binding:</b> Original binder clipped; all other copies spiral or comb bound (binders discouraged)</li> <li>• <b>File Format:</b> MS Word version 1997-2003, or version 2007 or later (.doc or .docx format), excluding Excel spreadsheets and commitment or support letters (PDF files are acceptable for the letters)</li> <li>• <b>File Storage:</b> Electronic files of the application submitted along with hard copies must be submitted on a CD-ROM or USB memory stick.</li> </ul>
<b>Page Limits</b>	<ul style="list-style-type: none"> <li>• Page limits are as follows: <ul style="list-style-type: none"> <li>• <b>Executive Summary</b> (Attachment 2): <b>two</b> pages</li> <li>• <b>Fact Sheet</b> (Attachment 3): <b>two</b> pages</li> <li>• <b>Project Narrative Form</b> (Attachment 4): <b>thirty</b> pages</li> <li>• <b>Project Team Form</b> (Attachment 5): <b>two</b> pages for each resume</li> <li>• <b>Reference and Work Product Form</b> (Attachment 9): <b>one</b> page for each reference, <b>two</b> pages for each project description</li> <li>• <b>Commitment and Support Letter Form</b> (Attachment 11): <b>two</b> pages, excluding the cover page</li> </ul> </li> <li>• The following attachments may not cumulatively exceed <b>seventy</b> pages: <ul style="list-style-type: none"> <li>• <b>Project Narrative Form</b> (Attachment 4)</li> <li>• <b>Scope of Work Template</b> (Attachments 6 and 6a)</li> </ul> </li> <li>• There are no page limits for the following: <ul style="list-style-type: none"> <li>• <b>Application Form</b> (Attachment 1)</li> <li>• <b>Budget Forms</b> (Attachment 7)</li> <li>• <b>CEQA Compliance Form</b> (Attachment 8)</li> <li>• <b>Contact List Template</b> (Attachment 10)</li> </ul> </li> </ul>
<b>Number of Copies of the Application</b>	<p>For Hard Copy Submittal Only:</p> <ul style="list-style-type: none"> <li>• <b>Seven (7)</b> hard copy (including one copy with original signatures)</li> <li>• <b>One</b> electronic copy (on a CD-ROM or USB memory stick)</li> </ul>

**B. APPLICATION DELIVERY**

Include the following label information and deliver your application, in a sealed package:

Applicant's Project Manager Applicant's Name Street Address City, State, and Zip Code	GFO-15-312 Contracts, Grants, and Loans Office, MS-18 California Energy Commission 1516 Ninth Street, 1st Floor Sacramento, California 95814
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Applications must be delivered to the Energy Commission's Contracts, Grants, and Loans Office in a sealed package (in person or via U.S. mail or courier service) during normal business hours, prior to the date and time specified in the "Key Activities Schedule" in Part I of this solicitation. Applications received after the specified date and time are considered late and will not be accepted. Postmark dates of mailing, e-mail, and facsimile (FAX) transmissions are not acceptable in whole or in part, under any circumstances.

**C. APPLICATION ORGANIZATION AND CONTENT**

1. Submit attachments in the order specified below.
2. Label the proposal application cover "Grant Funding Opportunity GFO-15-312" and include: (a) the title of the application; and (b) the applicant's name.
3. Separate each section of the application by a tab that is labeled only with the tab number and section title indicated below.

Tab/Attachment Number	Title of Section
1	Application Form <i>(requires signature)</i>
2	Executive Summary Form
3	Fact Sheet Template
4	Project Narrative Form
5	Project Team Form
6 <i>(includes 6a)</i>	Scope of Work Template
7	Budget Forms
8	CEQA Compliance Form
9	Reference and Work Product Form
10	Contact List Template
11	Commitment and Support Letter Form <i>(requires signature)</i>

Below is a description of each required section of the application:

**1. Application Form (Attachment 1)**

This form requests basic information about the applicant and the project. The application must include an original form that includes all requested information and is signed by an authorized representative of the applicant's organization.

**2. Executive Summary Form (Attachment 2)**

The Executive Summary must include: a project description; the project goals and objectives to be achieved; an explanation of how the goals and objectives will be achieved, quantified, and measured; and a description of the project tasks and overall management of the agreement.

**3. Fact Sheet Template (Attachment 3)**

The project fact sheet must present project information in a manner suitable for publication (if the project receives funding, the Energy Commission may use the fact sheet to publicize the project). The fact sheet must follow the template, which includes a summary of project specifics and a description of the issue addressed by the project, a project description, and anticipated benefits for the state of California.

**4. Project Narrative Form (Attachment 4)**

This form will include the majority of the applicant's responses to the Scoring Criteria in Part IV.

**5. Project Team Form (Attachment 5)**

Identify by name all key personnel<sup>14</sup> assigned to the project, including the project manager and principal investigator (if applicable), and individuals employed by any major subcontractor (i.e., a subcontractor receiving at least 25% of Commission funds or \$100,000, whichever is less). Clearly describe their individual areas of responsibility. Include the information required for each individual, including a resume (maximum two pages, printed double-sided).

**6. Scope of Work Template (Attachments 6 and 6a)**

Applicants must include a completed Scope of Work for each project, as instructed in the template. The Scope of Work identifies the tasks required to complete the project. It includes a project schedule that lists all products, meetings, and due dates. All work must be scheduled for completion within 36 to 48 months of the project start date.

Electronic files for **Parts I-IV** of the Scope of Work are in **MS Word**. **Part V** (Project Schedule, Attachment 6a) is in **MS Excel**.

**7. Budget Forms (Attachment 7)**

The budget forms are in MS Excel format and consist of seven worksheets. Detailed instructions for completing them are included at the beginning of Attachment 7. **Read the instructions before completing the worksheets.** Complete and submit information

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<sup>14</sup> "Key personnel" are individuals that are critical to the project due to their experience, knowledge, and/or capabilities.

on **all** budget worksheets. The salaries, rates, and other costs entered on the worksheets will become a part of the final agreement.

- a. All project expenditures (match share and reimbursable) must be made within the approved agreement term. Match share requirements are discussed in Part I of this solicitation. The entire term of the agreement and projected rate increases must be considered when preparing the budget.
- b. The budget must reflect estimates for **actual** costs to be incurred during the agreement term. The Energy Commission may only approve and reimburse for actual costs that are properly documented in accordance with the grant terms and conditions. Rates and personnel shown must reflect the rates and personnel the applicant would include if selected as a Recipient.
- c. The proposed rates are considered capped and may not change during the agreement term. The Recipient will only be reimbursed for **actual** rates up to the rate caps.
- d. **The budget must NOT include any Recipient profit from the proposed project, either as a reimbursed item, match share, or as part of overhead or general and administrative expenses (subcontractor profit is allowable, though the maximum percentage allowed is 10 percent of project expenses).** Please review the terms and conditions and budget forms for additional restrictions and requirements.
- e. **The budget must allow for the expenses of all meetings and products described in the Scope of Work.** Meetings may be conducted at the Energy Commission or by conference call, as determined by the Commission Agreement Manager.
- f. Applicants must budget for permits and insurance. Permitting costs may be accounted for in match share (please see the discussion of permits in the Scope of Work, Attachment 6).
- g. **Prevailing wage requirement:** Applicants must pay prevailing wages (i.e., rates pre-determined by the California Department of Industrial Relations) to all workers employed on public works projects that exceed \$1,000. Public works projects involve demolition, installation, repair, or maintenance work. If the proposed project involves such work, the Applicant must assume that the project is a public work and budget accordingly unless it obtains a determination from the California Department of Industrial Relations or a court of competent jurisdiction that the project is not a public work. Please see the terms and conditions for additional information about the prevailing wage requirement.

**8. California Environmental Quality Act (CEQA) Compliance Form (Attachment 8)**

The Energy Commission requires the information on this form to facilitate its evaluation of the funded activities under CEQA (Public Resources Code section 21000 et. seq.), a law that requires state and local agencies in California to identify and mitigate the significant environmental impacts of their actions. The form will also help applicants to determine CEQA compliance obligations by identifying which funded activities may trigger CEQA. If activities do not trigger CEQA (such as paper studies) the worksheet will help to identify and document this. *This form must be completed regardless of whether the proposed activities are considered a "project" under CEQA.*

Failure to complete the CEQA process in a timely manner after the Energy Commission's issuance of an award may result in cancellation of the award and allocation of funding to the next highest-scoring project.

**9. Reference and Work Product Form (Attachment 9)**

- a. Section 1: Provide applicant and subcontractor references as instructed.
- b. Section 2: Provide a list of past projects detailing technical and business experience of the applicant (or any member of the project team) that is related to the proposed work. Identify past projects that resulted in market-ready technology, advancement of codes and standards, and/or advancement of state energy policy. Include copies of up to three of the applicant or team member's recent publications in scientific or technical journals related to the proposed project, as applicable.

**10. Contact List Template (Attachment 10)**

The list identifies the names and contact information of the project manager, administrator, accounting officer, and recipient of legal notices.

**11. Commitment and Support Letter Form (Attachment 11)**

A commitment letter commits an entity or individual to providing the service or funding described in the letter. A support letter details an entity or individual's support for the project.

a. Commitment Letters

- Applicants must submit a **match funding** commitment letter signed by each representative of the entity or individual that is committing to providing match funding. The letter must: (1) identify the source(s) of the funds; and (2) guarantee the availability of the funds for the project.
- If the project involves **deployment** activities, the applicant must include a letter signed by an authorized representative of the proposed deployment site that commits to providing the site for the proposed activities.
- **Project partners** that are making contributions other than match funding must submit a commitment letter signed by an authorized representative that: (1) identifies how the partner will contribute to the project; and (2) commits to making the contribution.

b. Support Letters

All applicants must include at least one support letter from a project stakeholder (i.e., an entity or individual that will benefit from or be involved in the project) that: (1) describes the stakeholder's interest or involvement in the project; (2) indicates the extent to which the project has the support of the relevant industry and/or organizations; and (3) describes any support it intends (but does not necessarily commit) to provide for the project, such as funding or the provision of a deployment site.

## IV. Evaluation and Award Process

### A. APPLICATION EVALUATION

Applications will be evaluated and scored based on responses to the information requested in this solicitation. To evaluate applications, the Energy Commission will organize an Evaluation Committee that consists primarily of Energy Commission staff. The Evaluation Committee may use technical expert reviewers to provide an analysis of applications. Applications will be evaluated in two stages:

#### 1. **Stage One: Application Screening**

The Contracts, Grants, and Loans Office and/or the Evaluation Committee will screen applications for compliance with the Screening Criteria in **Section E** of this Part. **Applications that fail any of the screening criteria will be rejected.**

#### 2. **Stage Two: Application Scoring**

Applications that pass Stage One will be submitted to the Evaluation Committee for review and scoring based on the Scoring Criteria in **Section F** of this Part.

- The scores for each application will be the average of the combined scores of all Evaluation Committee members.
- **A minimum score of 70.00 points is required for the application to be eligible for funding. In addition, the application must receive a minimum score of 49.00 points for criteria 1–4 to be eligible for funding.**
- **Clarification Interviews:** The Evaluation Committee may conduct optional in-person or telephone interviews with applicants during the evaluation process to clarify and/or verify information submitted in the application. However, these interviews may not be used to change or add to the content of the original application. Applicants will not be reimbursed for time spent answering clarifying questions.

### B. RANKING, NOTICE OF PROPOSED AWARD, AND AGREEMENT DEVELOPMENT

#### 1. **Ranking and Notice of Proposed Award**

Applications that receive a minimum score of 70.00 points for all criteria will be ranked according to their score.

- The Energy Commission will post a **Notice of Proposed Award (NOPA)** that includes: (1) the total proposed funding amount; (2) the rank order of applicants; and (3) the amount of each proposed award. The Commission will post the NOPA at its headquarters in Sacramento and on its website, and will mail it to all parties that submitted an application. Proposed awards must be approved by the Commission at a business meeting.
- **Debriefings:** Unsuccessful applicants may request a debriefing after the release of the NOPA by contacting the Commission Agreement Officer listed in Part I. A request for debriefing must be received **no later than 15 calendar days** after the NOPA is released.
- The Energy Commission reserves the right to:
  - Allocate any additional funds to passing applications, in rank order; and
  - Negotiate with successful applicants to modify the project scope, schedule, and/or level of funding.

## 2. Agreements

Applications recommended for funding will be developed into a grant agreement to be considered at an Energy Commission Business Meeting. Recipients may begin the project only after full execution of the grant agreement (i.e., approval at an Energy Commission business meeting and signature by the Recipient and the Energy Commission).

- **Resolution Requirement (*for government agency recipients only*):** Prior to approval of the agreement at a business meeting, government agency recipients (e.g., federal, state, and local governments; air/water/school districts; joint power authorities; and state universities) must provide a resolution that authorizes the agency to enter into the agreement and is signed by a representative authorized to execute the agreement and all documents related to the award.  
Resolutions must include: (1) a brief description of the project; (2) the award amount; and (3) an acceptance of the award.
- **Agreement Development:** If approved at a business meeting the Contracts, Grants, and Loans Office will send the Recipient a grant agreement for approval and signature. The agreement will include the applicable terms and conditions and will incorporate this solicitation by reference. The Energy Commission reserves the right to modify the award documents (including the terms and conditions) prior to executing any agreement.
- **Failure to Execute an Agreement:** If the Energy Commission is unable to successfully execute an agreement with an applicant, it reserves the right to cancel the pending award and to fund the next highest-ranked, eligible application.
- **Agreement Amendment:** The executed agreement may be amended by mutual consent of the Energy Commission and the Recipient. The agreement may require amendment as a result of project review, changes in project scope, and/or availability of funding.

## C. GROUNDS TO REJECT AN APPLICATION OR CANCEL AN AWARD

Applications that do not pass the screening stage will be rejected. In addition, the Energy Commission reserves the right to reject an application and/or to cancel an award if the following circumstances are discovered at any time during the application or agreement process:

- The application contains false or intentionally misleading statements or references that do not support an attribute or condition contended by the applicant.
- The application is intended to erroneously and fallaciously mislead the State in its evaluation and the attribute, condition, or capability is a requirement of this solicitation.
- The application does not literally comply or contains caveats that conflict with the solicitation, and the variation or deviation is material.
- The application does not contain sufficient information to enable a useful evaluation to be conducted.
- The applicant has previously received funding through a Public Interest Energy Research (PIER) agreement, has received the PIER royalty review letter (which the Energy Commission annually sends out to remind past recipients of their obligations to pay royalties), and has not responded to the letter or is otherwise not in compliance with repaying royalties.
- 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 that it has the financial capability to complete the project.
- The application is not submitted in the format specified in Part III, Sections A, B, and C of the solicitation.
- The project end date extends past the anticipated agreement end date specified in the “Key Activities Schedule” in Part I.

## D. MISCELLANEOUS

### 1. Solicitation Cancellation and Amendment

It is the policy of the Energy Commission not to solicit applications unless there is a bona fide intention to award an agreement. However, if it is in the State’s best interest, the Energy Commission reserves the right to do any of the following:

- Cancel this solicitation;
- Revise the amount of funds available under this solicitation;
- Amend this solicitation as needed; and/or
- Reject any or all applications received in response to this solicitation.

If the solicitation is amended, the Energy Commission will send an addendum to all parties who requested the solicitation, and will also post it on the Energy Commission’s website at: [www.energy.ca.gov/contracts](http://www.energy.ca.gov/contracts). The Energy Commission will not reimburse applicants for application development expenses under any circumstances, including cancellation of the solicitation.

### 2. Modification or Withdrawal of Application

Applicants may withdraw or modify a submitted application before the deadline to submit applications by sending a letter to the Commission Agreement Officer listed in Part I. Applications cannot be changed after that date and time. An Application cannot be “timed” to expire on a specific date. For example, a statement such as the following is non-responsive to the solicitation: “This application and the cost estimate are valid for 60 days.”

### 3. Confidentiality

Though the entire evaluation process from receipt of applications up to the posting of the NOPA is confidential, **all submitted documents will become public records** after the Energy Commission posts the NOPA or the solicitation is cancelled. **The Energy Commission will not accept or retain applications that identify any portion as confidential.**

### 4. Solicitation Errors

If an applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation, the applicant should immediately notify the Energy Commission of the error in writing and request modification or clarification of the solicitation. The Energy Commission will provide modifications or clarifications by written notice to all parties who requested the solicitation, without divulging the source of the request for clarification. The Energy Commission will not be responsible for failure to correct errors.

### 5. Immaterial Defect

The Energy Commission may waive any immaterial defect or deviation contained in an application. The Energy Commission’s waiver will not modify the application or excuse the successful applicant from full compliance with solicitation requirements.

**6. Disposition of Applicant’s Documents**

Upon the posting of the NOPA, all applications and related materials submitted in response to this solicitation will become property of the State and public records. Unsuccessful applicants who seek the return of any materials must make this request to the Agreement Officer listed in Part I, and provide sufficient postage to fund the cost of returning the materials.

**E. STAGE ONE: APPLICATION SCREENING**

<b>SCREENING CRITERIA</b>	<b>Pass/Fail</b>
<i>The Application must pass ALL criteria to progress to Stage Two.</i>	
1. The application is received by the Energy Commission’s Contracts, Grants, and Loans Office by the due date and time specified in the “Key Activities Schedule” in Part I of this solicitation.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
2. The Application Form (Attachment 1) is signed where indicated.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
3. The application addresses only one of the eligible project groups, as indicated on the Application Form.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
4. If the applicant has submitted more than one application for the same project group, each application is for a distinct project (i.e., no overlap with respect to the tasks described in the Scope of Work, Attachment 6).  <i>If the projects are not distinct and the applications were submitted at the same time, only the first application screened by the Energy Commission will be eligible for funding. If the applications were submitted separately, only the first application received by the Energy Commission will be eligible for funding.</i>	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
5. The requested funding falls within the minimum and maximum range specified in Part I of this solicitation.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
6. <i>If the project involves deployment activities:</i> <ul style="list-style-type: none"> <li>o The Application Form identifies one or more deployment site locations.</li> <li>o All deployment sites are located in a California electric IOU service territory (PG&amp;E, SDG&amp;E, or SCE).</li> </ul>	<input type="checkbox"/> Pass <input type="checkbox"/> Fail <input type="checkbox"/> N/A (project does not involve deployment activities)
7. The application does not contain any confidential information or identify any portion of the application as confidential.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
8. The applicant has not included a statement or otherwise indicated that it will not accept the terms and conditions, or that acceptance is based on modifications to the terms and conditions.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
9. The proposal includes one or more support letters, and a match funding commitment letter, as specified in Attachment 11.  <i>If the proposal includes commitment letters that are not required and do not meet the requirements of Attachment 11, the letters will not be considered in the scoring phase.</i>	<input type="checkbox"/> Pass <input type="checkbox"/> Fail

**F. STAGE TWO: APPLICATION SCORING**

Proposals that pass ALL Stage One Screening Criteria will be evaluated based on the Scoring Criteria on the next page and the Scoring Scale below (with the exception of criteria 6–8, which will be evaluated as described in each criterion). Each criterion has an assigned number of possible points, and is divided into multiple sub-criteria. The sub-criteria are not equally weighted. The Project Narrative (Attachment 4) must respond to each sub-criterion, unless otherwise indicated.

- The total minimum passing score is **70.00 out of 100 points**.
- The minimum passing score for **criteria 1–4 is 49.00 points**. The points for criteria 5–8 will only be applied to proposals that achieve the minimum score for criteria 1–4.

**SCORING SCALE**

% of Possible Points	Interpretation	Explanation for Percentage Points
0%	Not Responsive	<ul style="list-style-type: none"> <li>• The response fails to address the criteria.</li> <li>• The omissions, flaws, or defects are significant and unacceptable.</li> </ul>
10-30%	Minimally Responsive	<ul style="list-style-type: none"> <li>• The response minimally addresses the criteria.</li> <li>• The omissions, flaws, or defects are significant and unacceptable.</li> </ul>
40-60%	Inadequate	<ul style="list-style-type: none"> <li>• The response addresses the criteria.</li> <li>• 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.</li> </ul>
70%	Adequate	<ul style="list-style-type: none"> <li>• The response adequately addresses the criteria.</li> <li>• Any omissions, flaws, or defects are inconsequential and acceptable.</li> </ul>
80%	Good	<ul style="list-style-type: none"> <li>• The response fully addresses the criteria with a good degree of confidence in the applicant’s response or proposed solution.</li> <li>• There are no identified omissions, flaws, or defects. Any identified weaknesses are minimal, inconsequential, and acceptable.</li> </ul>
90%	Excellent	<ul style="list-style-type: none"> <li>• The response fully addresses the criteria with a high degree of confidence in the applicant’s response or proposed solution.</li> <li>• The applicant offers one or more enhancing features, methods, or approaches that exceed basic expectations.</li> </ul>
100%	Exceptional	<ul style="list-style-type: none"> <li>• All criteria are addressed with the highest degree of confidence in the applicant’s response or proposed solution.</li> <li>• The response exceeds the requirements in providing multiple enhancing features, a creative approach, or an exceptional solution.</li> </ul>

**G. SCORING CRITERIA**

The Project Narrative (Attachment 4) must respond to each criterion below, unless otherwise indicated.

The scoring criteria may be revised for Phase II of the solicitation.

Scoring Criteria	Maximum Points
<p><b>1. Technical Merit and Need</b></p> <ul style="list-style-type: none"> <li>a. Provides a clear and concise description of the project goals, and objectives for advancing deployment of Advanced Energy Communities.</li> <li>b. Explains how the proposed project will lay regulatory groundwork for technological advancement and breakthroughs that will overcome barriers to achieving the state’s statutory energy goals.</li> <li>c. Summarizes the current status of regulatory structures and designs as it relates to the development of Advanced Energy Communities and explains how the proposed project will advance, supplement, and/or replace current regulatory structures and plans.</li> <li>d. Justifies the need for EPIC funding, including an explanation of why the proposed work is not adequately supported by competitive or regulated markets.</li> <li>e. Discusses the degree to which the proposed work is technically feasible and achievable.</li> <li>f. Provides a clear and complete response to each of the questions posed on p. 21 of this GFO.</li> </ul>	<p><b>15</b></p>
<p><b>2. Technical Approach</b></p> <ul style="list-style-type: none"> <li>a. Describes the technique, approach, and methods to be used in performing the work described in the Scope of Work. Highlights any outstanding features.</li> <li>b. Describes how tasks will be executed and coordinated with various participants and team members.</li> <li>c. Identifies and discusses factors critical for success, in addition to risks, barriers, and limitations. Provides a plan to address them.</li> <li>d. Describes how the knowledge gained, experimental results, and lessons learned will be made available to the public and key decision-makers.</li> <li>e. Includes a complete Scope of Work and Project Schedule, as instructed in Attachments 6 and 6a.</li> <li>f. Provides a clear and complete response to all subject areas identified on pp. 21 – 22 of this GFO.</li> <li>g. Describes how the proposal fits in with existing steps already taken by the local jurisdiction to meet the goals of existing state and regional climate and energy plans such as the California Climate Adaptation Planning Guide, and the Desert Renewable Energy Conservation Plan.</li> </ul>	<p><b>20</b></p>

Scoring Criteria	Maximum Points
<p><b>3. Impacts and Benefits for California IOU Ratepayers</b></p> <ul style="list-style-type: none"> <li>a. Explains how the proposed project will benefit California Investor-Owned Utility (IOU) ratepayers with respect to the EPIC goals of <u>greater reliability</u>, <u>lower costs</u>, and/or <u>increased safety</u>).</li> <li>b. Provides clear, plausible, and justifiable <b>quantitative</b> estimates of potential benefits for California IOU electricity ratepayers, including the following (<i>as applicable</i>): annual electricity and thermal savings (kilowatt-hour and therms), peak load reduction and/or shifting, energy cost reductions, greenhouse gas emission reductions, air emission reductions (e.g., NOx), and water use and/or cost reductions.</li> <li>c. States the timeframe, assumptions, and calculations for the estimated benefits, and explains their reasonableness.</li> <li>d. Identifies impacted market segments in California, including size and penetration or deployment rates, with underlying assumptions.</li> <li>e. Discusses any <b>qualitative</b> or intangible benefits to California IOU electricity ratepayers, including timeframe and assumptions.</li> <li>f. Provides a cost-benefit analysis that compares project costs to anticipated benefits. Explains how costs and benefits will be calculated and quantified, and identifies any underlying assumptions.</li> </ul>	<p><b>15</b></p>
<p><b>4. Team Qualifications, Capabilities, and Resources</b></p> <ul style="list-style-type: none"> <li>a. Describes the organizational structure of the applicant and the project team. Includes an <u>organizational chart</u> that illustrates the structure.</li> <li>b. Identifies key team members, including the project manager and principal investigator (<i>include this information in Attachment 5, Project Team Form</i>).</li> <li>c. Summarizes the qualifications, experience, capabilities, and credentials of the key team members (<i>include this information in Attachment 5, Project Team Form</i>).</li> <li>d. Explains how the various tasks will be managed and coordinated, and how the project manager’s technical expertise will support the effective management and coordination of all projects in the application.</li> <li>e. Describes the facilities, infrastructure, and resources available to the team.</li> <li>f. Describes the team’s history of successfully completing projects (e.g., RD&amp;D projects) and commercializing and/or deploying results/products.</li> <li>g. Identifies past projects that resulted in a market-ready technology (<i>include this information in Attachment 9, Reference and Work Product Form</i>).</li> <li>h. References are relevant to the proposed project and are current, meaning within the past three years (<i>include this information in Attachment 9,</i></li> </ul>	<p><b>20</b></p>

Scoring Criteria	Maximum Points
<p><i>Reference and Work Product Form).</i></p> <ul style="list-style-type: none"> <li>i. Identifies any collaborations with utilities, industries, or others. Explains the nature of the collaboration and what each collaborator will contribute.</li> <li>j. Demonstrates that the applicant has the financial ability to complete the project, as indicated by the responses to the following questions:               <ul style="list-style-type: none"> <li>• Has your organization been involved in a lawsuit or government investigation within the past five years?</li> <li>• Does your organization have overdue taxes?</li> <li>• Has your organization ever filed for or does it plan to file for bankruptcy?</li> <li>• Has any party that entered into an agreement with your organization terminated it, and if so for what reason?</li> <li>• For Energy Commission agreements listed in the application that were executed (i.e., approved at a Commission business meeting and signed by both parties) within the past five years, has your organization ever failed to provide a final report by the date indicated in the agreement?</li> </ul> </li> <li>k. Support or commitment letters (for match funding, test sites, or project partners) indicate a strong level of support or commitment for the project.</li> </ul>	
<p><b>Total Possible Points for criteria 1–4 (Minimum Passing Score for criteria 1–4 is <u>49.00</u>)</b></p>	<p><b>70</b></p>
<p><b>5. Budget and Cost-Effectiveness</b></p> <ul style="list-style-type: none"> <li>a. Budget forms are complete, as instructed in Attachment 7.</li> <li>b. Justifies the reasonableness of the requested funds relative to the project goals, objectives, and tasks.</li> <li>c. Justifies the reasonableness of costs for direct labor, non-labor (e.g., indirect overhead, general and administrative costs, and subcontractor profit), and operating expenses by task.</li> <li>d. Explains why the hours proposed for personnel and subcontractors are reasonable to accomplish the activities in the Scope of Work (Attachment 6).</li> <li>e. Explains how the applicant will maximize funds for the technical tasks in Part IV of the Scope of Work and minimize expenditure of funds for program administration and overhead.</li> </ul>	<p><b>10</b></p>

Scoring Criteria	Maximum Points												
<p><b>6. EPIC Funds Spent in California</b></p> <p>Projects that spend EPIC funds in California will receive points as indicated in the table below. “Spent in California” means that: (1) Funds under the “Direct Labor” category and all categories calculated based on direct labor in the B-4 budget attachments (Prime and Subcontractor Labor Rates) are paid to individuals who pay California state income taxes on wages received for work performed under the agreement; and (2) Business transactions (e.g., material and equipment purchases, leases, rentals, and contractual work) are entered into with a business located in California.</p> <p>Airline ticket purchases and payments made to out-of-state workers are not considered funds “spent in California.” However, funds spent by out-of-state workers in California (e.g., hotel and food) are considered funds “spent in California.”</p> <table border="1" data-bbox="191 785 1060 982"> <thead> <tr> <th>Percentage of EPIC funds spent in CA (derived from budget Attachment 7)</th> <th>Percentage of Possible Points</th> </tr> </thead> <tbody> <tr> <td>≥60%</td> <td>20%</td> </tr> <tr> <td>≥70%</td> <td>40%</td> </tr> <tr> <td>≥80%</td> <td>60%</td> </tr> <tr> <td>≥90%</td> <td>80%</td> </tr> <tr> <td>=100%</td> <td>100%</td> </tr> </tbody> </table>	Percentage of EPIC funds spent in CA (derived from budget Attachment 7)	Percentage of Possible Points	≥60%	20%	≥70%	40%	≥80%	60%	≥90%	80%	=100%	100%	<p><b>15</b></p>
Percentage of EPIC funds spent in CA (derived from budget Attachment 7)	Percentage of Possible Points												
≥60%	20%												
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≥80%	60%												
≥90%	80%												
=100%	100%												
<p><b>7. Ratio of Direct Labor and Fringe Benefit Rates to Loaded Labor Rates</b></p> <p>The score for this criterion will derive from the Rates Summary worksheet (Tab B-7) in the budget forms, which compares the weighted direct labor and fringe benefits rate to the weighted loaded rate. This ratio, as a percentage, is multiplied by the possible points for this criterion.</p>	<p><b>5</b></p>												
<p><b>Total Possible Points (Minimum Passing Score is <u>70</u>)</b></p>	<p><b>100</b></p>												
<p><b>8. Match Funding (Optional)</b></p> <p>Match funding is not required under Phase I for this solicitation. However, applications that include match funds will receive additional points during the scoring phase.</p> <ul style="list-style-type: none"> <li>Each match funding contributor must submit a commitment letter that meets the requirements of Attachment 11. Failure to meet these requirements will disqualify the proposal from consideration.</li> <li>5 points for this criterion will be awarded based on the percentage of match funding as it relates to the amount of EPIC funds requested. This ratio will be multiplied by 5 to yield the points. <u>For example:</u> If requested EPIC funds are \$1,000,000, and the applicant provides \$500,000 the match funding ratio is 0.5. (5 x 0.5 = 2.5). The proposal will be awarded 2.5 points.</li> <li>The remaining 5 points for this criterion will be based on the level of commitment, type of match funding (cash in hand funds will be</li> </ul>	<p><b>10</b></p>												

Scoring Criteria	Maximum Points
<p>considered more favorably than other types of match funding), dollar value justification, and funding replacement strategy described in the match funding commitment letter (see Attachment 11). The proposal scoring scale in Section F will be used to rate these criteria.</p> <ul style="list-style-type: none"><li>Any match funding pledged in Attachment 1 must be consistent with the amount or dollar value described in the commitment letter(s) (e.g., if \$5,000 “cash in hand” funds are pledged in a commitment letter, Attachment 1 must match this amount). Only the total amount pledged in the commitment letter(s) will be considered for match funding points.</li></ul>	
<p><b>9. Additional Local Government Participation</b></p> <p>Additional points will be awarded for project teams that feature participation from additional local governments.</p> <ul style="list-style-type: none"><li>Project teams that have participation from three local governments will receive one additional point.</li><li>Project teams that have participation from <b>four or more local governments will receive two additional points.</b></li></ul>	<p><b>2</b></p>

3