Pre-Application Workshop

Natural Gas Research, Development, and Demonstration Grant Solicitation

Advancing Clean Energy through Biogas, Biomethane, and Natural Gas

PON-14-505

Energy Generation Research Office
Energy Research and Development Division
California Energy Commission
December 22, 2014
# Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:00 am</td>
<td>Welcome</td>
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<tr>
<td></td>
<td>• Housekeeping</td>
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<tr>
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<td>• Background, Policy Drivers, Solicitation Purpose, Topic Areas</td>
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<td>• Eligible Applicants</td>
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<td>• Key Dates</td>
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<tr>
<td>10:15 am</td>
<td>Research Project</td>
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<tr>
<td>10:30 am</td>
<td>Application Requirements:</td>
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<tr>
<td></td>
<td>• Formatting and Attachments</td>
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<td>• Evaluation Process</td>
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<td>• Grounds for Rejection</td>
</tr>
<tr>
<td>10:45 pm</td>
<td>Questions and Answers</td>
</tr>
</tbody>
</table>
Housekeeping

- In case of emergency
- Facilities
- Sign-In Sheet
- Updates on Solicitation Documents and today’s presentation can be found at:
  http://energy.ca.gov/contracts/pier.html#PON-14-505
Background

• The Natural Gas Research, Development and Demonstration (NG RD&D) Program is funded by a natural gas ratepayer surcharge established by the California Public Utilities Commission (CPUC) in 2000

• The purpose of NG RD&D is to benefit the ratepayers of natural gas investor-owned utilities*

• NG RD&D funds clean energy technology projects that promote greater natural gas reliability, lower costs, and increased safety.

• Funded projects must lead to technological advancement and breakthroughs to overcome the barriers that prevent the achievement of the state’s statutory energy goals

• Annual program funds total $24 million

* Pacific Gas and Electric Co., San Diego Gas and Electric Co., and Southern California Gas Company
Policy Drivers for Energy Generation RD&D

- **Laws and Regulations:**
  - Assembly Bill 32 (Global Warming Solutions Act)
  - Senate Bill X1-2 (Renewable Portfolio Standard)
  - Assembly Bill 1900 (Renewable Energy Resources: Biomethane)
  - Assembly Bill 1613 (Waste Heat and Carbon Emissions Reduction Act)

- **Policies/Plans**
  - Governor Brown’s Clean Energy Jobs Plan
Solicitation Purpose

The purpose of this solicitation is to fund research, development, and demonstration projects that address the barriers to increased market penetration of:

- Renewable energy particularly biogas and biomethane
- Natural gas fueled distributed generation and combined heat and power systems
Solicitation Topic Areas

The Energy Commission expects to fund seven projects, with specific funding for the following topic areas:

- **Topic A**: Development and demonstration of affordable technologies and strategies for biogas cleanup and upgrading to biomethane or renewable natural gas for clean power generation.

- **Topic B**: Demonstration of bottoming cycle solutions as supplemental power generation for highly efficient use of natural gas.

- **Topic C**: Development and demonstration of micro-scale and other novel systems for small-scale combined cooling, heating and power applications.
### Topic Area Funding

- Up to $5.5 million available in the following topic areas.
- Available funding amounts may be modified or moved among the topic areas.

<table>
<thead>
<tr>
<th>Project Group</th>
<th>Maximum Reward Amount</th>
<th>Total Funding Amount</th>
<th>Estimated Number of Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic A: Development and demonstration of affordable technologies and strategies for biogas cleanup and upgrading to biomethane or renewable natural gas for clean power generation</td>
<td>$1,000,000</td>
<td>$2,500,000</td>
<td>3</td>
</tr>
<tr>
<td>Topic B: Demonstration of bottoming cycle solutions as supplemental power generation for highly efficient use of natural gas</td>
<td>$1,000,000</td>
<td>$1,500,000</td>
<td>2</td>
</tr>
<tr>
<td>Topic C: Development and demonstration of micro-scale and other novel systems for small-scale combined cooling, heating and power applications</td>
<td>$750,000</td>
<td>$1,500,000</td>
<td>2</td>
</tr>
</tbody>
</table>
# Key Dates

<table>
<thead>
<tr>
<th>Activity</th>
<th>Action Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solicitation Release</td>
<td>December 10, 2014</td>
</tr>
<tr>
<td>Pre-Application Workshop</td>
<td>December 22, 2014</td>
</tr>
<tr>
<td><strong>DEADLINE FOR WRITTEN QUESTIONS</strong></td>
<td><strong>December 29, 2014 by 5:00 p.m.</strong></td>
</tr>
<tr>
<td>Post Questions and Answers to Website</td>
<td>January 9, 2015</td>
</tr>
<tr>
<td><strong>DEADLINE TO SUBMIT APPLICATIONS</strong></td>
<td><strong>February 6, 2015 by 3:00 p.m.</strong></td>
</tr>
<tr>
<td>Post Notice of Proposed Award (NOPA)</td>
<td>March 24, 2015</td>
</tr>
<tr>
<td>Anticipated Energy Commission Business Meeting Date</td>
<td>June 10, 2015</td>
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<tr>
<td>Anticipated Agreement Start Date</td>
<td>July 2015</td>
</tr>
<tr>
<td>Agreement Termination Date</td>
<td>July 2018</td>
</tr>
</tbody>
</table>
Eligible Applicants

• This is an open solicitation for public and private entities with the exception of publicly-owned utilities.

• Applicants must accept the NG RD&D terms and conditions

• Business applicants are required to register with the California Secretary of State and be in good standing in order to enter into an agreement with the Energy Commission.
  http://www.sos.ca.gov

• Applicants must propose a team that has demonstrated the ability to successfully complete similar demonstration and deployment projects.
Topic Areas

- Each topic area will be evaluated and scored separately
- Each Application must address only one topic area
- Applicants may submit more than one Application as long as each is for a distinct scope of work, with no duplication
Topic A: Development and demonstration of affordable technologies and strategies for biogas cleanup and upgrading to biomethane or renewable natural gas for clean power generation. (Max $1,000,000 per award)

• Projects submitted under this topic should:
  – Provide the technological development needed to bring the costs down and advance the commercialization of biomethane technologies.
  – Demonstrate and generate performance data for emerging biomethane technologies.
  – Develop breakthrough technologies and strategies that improve efficiency, cost-effectiveness, and availability at the biogas production and post-production level.

• Technological improvements may address all or part of the biogas production and utilization process including digestion, gasification, gas cleanup and upgrade technologies, distributed generation, and combined heat and power systems.
Topic B: Demonstration of bottoming cycle solutions as supplemental power generation for highly efficient use of natural gas. (Max $1,000,000 per award)

- Projects submitted under this topic should:
  - Develop and demonstrate technological advances needed for a wide-scale adoption of bottoming cycles in California’s industries.
  - Address the challenges and improve the cost and performance of bottoming cycles by increasing system efficiency and widening operating range (especially with regard to low-temperature waste streams).

- Possible projects should be cost competitive with grid power over the system lifetime, exhibit moderate payback periods (at or below 10 years), and prioritize reducing system size.
Topic C: Development and demonstration of micro-scale and other novel systems for small-scale combined cooling, heating and power applications.
(Max $750,000 per award)

• Projects submitted under this topic should:
  – Develop and demonstrate technologies which would promote CHP/CCHP adoption for commercial, light industrial, and possibly multifamily residential applications.
  – Develop CHP systems and support technologies that offer high demonstration value or the potential for widespread deployment and significant savings.

• Possible projects should be cost competitive with grid power over the system lifetime and exhibit good payback periods (5-10 years).
Topic C: Development and demonstration of micro-scale and other novel systems for small-scale combined cooling, heating and power applications. (Max $750,000 per award) (cont’d)

- Projects which include a demonstration must first perform a feasibility study and present its results to the Energy Commission Agreement Manager (CAM) before proceeding to a demonstration.

- Applicants are encouraged to coordinate and seek assistance from the US DOE’s CHP Technical Assistance Partnerships (CHP-TAP) on their feasibility study.

- Information about the Pacific chapter of this CHP-TAP is found in this link: [http://www.pacificchptap.org/](http://www.pacificchptap.org/)
Application Requirements

• Submit Applications with all attachments in the order specified by the due date and time listed.

• Application documents should meet formatting requirements, page limits, and number of copies specified on page 16.
  – **Seven** hard copies and **one** electronic copy

• Evaluation Consists of Two Parts
  ➢ **Part 1** – Proposal Screening (Section E, page 27-28)
  ➢ **Part 2** – Proposal Scoring (Section F, pages 29-34)
# Application Requirements

Every Applicant must complete and include the following:

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<table>
<thead>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Application Form</td>
</tr>
<tr>
<td>2.</td>
<td>Executive Summary</td>
</tr>
<tr>
<td>3.</td>
<td>Fact Sheet</td>
</tr>
<tr>
<td>4.</td>
<td>Project Narrative</td>
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<tr>
<td>5.</td>
<td>Project Team</td>
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<tr>
<td>6.</td>
<td>Scope of Work</td>
</tr>
</tbody>
</table>
Application Form (Attachment 1)

• Form provides the Energy Commission with basic information about the Applicant and project.

• Must include all information requested

• Must be signed by an authorized representative of the applicant’s organization

• Information provided should be consistent with project budget, narrative, and letters of commitment.
Executive Summary Form (Attachment 2)

- Executive Summary should summarize the information included in the project narrative

- Must include:
  - Project description
  - Project goals and objectives
  - Explanation of how the goals and objectives will be achieved, quantified, and measured
  - Description of the project tasks
  - Overall management of the agreement.

- Limited to two pages
Fact Sheet Template (Attachment 3)

• Must present project information in a manner suitable for publication (if funded).

• The fact sheet must follow the template provided, including:
  – A summary of project specifics
  – A description of the issue addressed by the project
  – A project description
  – Anticipated benefits for the State of California

• Limited to two pages
Project Narrative (Attachment 4)

• Project Narrative form follows the Application Scoring Criteria (page 29-34)
• Include a detailed description of the proposed project(s) and respond to the information requested in each of the following areas:
  1. Technical Merit and Need
  2. Technical Approach
  3. Impacts and Benefits for California IOU Ratepayers
  4. Team Qualifications, Capabilities and Resources
  5. Budget and Cost Effectiveness
  6. Funds Spent in California
  7. Ratio of Unloaded Labor Rates to Loaded Labor Rates
  8. Match Funding Above the Minimum (optional)
  9. California-Based Entity
• Provide sufficient detail so that reviewers will be able to evaluate the proposal against each of the scoring criteria.
• Limited to twenty pages
Project Team Form (Attachment 5)

• Must identify all key personnel assigned to the project
  – “Key personnel” are individuals that are critical to the project due to experience, knowledge, and/or capabilities.

• Clearly describe their individual areas of responsibility
  – Limited to one page per individual

• Include a resume for each individual
  – Limited to two pages for each resume
Scope of Work (Attachment 6)

- Ensure that the problem/Solution Statement and Goals and Objectives are consistent with the Project Narrative
- All tasks in black are mandatory; do not revise
  - Task 1: General Project Tasks
    - Task TBD-1 Data Collection and Reporting
    - Task TBD-2 Evaluation of Project Benefits
    - Task TBD-3 Technology/Knowledge Transfer Activities
    - Task TBD-4 Production Readiness Plan-only applicable to agreements that fund the development of products that may be commercialized
- Task 2 are the technical tasks
  - Indicate specific tasks in the “Recipient Shall” section (these should be major items)
  - “Products” are documents, plans and reports (tangible items that can be submitted to the CAM)
  - “Products” are not equipment and other items that cannot be delivered and stored at the Energy Commission.
Project Schedule (Attachment 6a)

- Provide meeting and product titles and the due dates
- All of the products must match as shown in the Scope of Work (Attachment 6)
Every Applicant must complete and include the budget forms for its team:

- Task Summary - Att B-1
- Category Summary - Att B-2
- Prime Labor Rates - Att B-3
- Labor Rates for each Subcontractor - Att B-3a-z
- Prime Non-Labor Rates - Att B-4
- Non-Labor Rates for each Subcontractor - Att B-4 a-z
- Direct Operating Expenses – Att B-5
- Match Funding – Att B-6 (Required)
- Rates Summary - Att B-7 (for evaluation purposes - info automatically transferred from Attachment B-2)

The Applicant must submit information on all of the attached budget forms, and in the format required.
California Environmental Quality Act (CEQA) Compliance Form (Attachment 8)

• The information provided will help facilitate Energy Commission’s environmental evaluation of the proposed project under CEQA.

• All sections of the form must be completed.

• Failure to complete CEQA process in a timely manner may result in cancellation of the award.
California-Based Entities Form (Attachment 9)

- This form is used to identify any California-based entities (CBE) and contains two parts.

- Part I: CBE Requirements
  - Provides the required criteria to identify as a CBE

- Part II: CBE Questionnaire
  - All questions on this form must be answered for CBE qualification to be considered

- CBEs are granted preference points (please refer to the scoring criteria in the solicitation manual for details)
Reference and Work Product Form (Attachment 10)

• This form provides past reference and work products and contains two sections.

• Section 1: References
  – Provide applicant and subcontractor references as instructed
  – Include three references for Applicant and two for each subcontractor

• Section 2: Work Products
  – Provide a list of up to three past projects detailing technical and business experience of the applicant or team member (two pages maximum per project)
  – Include copies of up to three recent relevant technical publications
Commitment and Support Letter Form (Attachment 11)

- This form provides guidelines for the submission of letters of support or commitment that are submitted with the application.
  - Commitment letter commits an entity to providing the service or funding described
  - Support letter details an entity or individual’s support for the project
- All Applicants are required to supply a commitment for the demonstration and deployment site(s)
- All Applicants are required to submit at least one support letter from a project stakeholder.
- Any project partners that will make other contributions to the project must submit a commitment letter.
- Any match funding provided must be supported by a match fund commitment letter.
- Limited to two pages per letter, excluding the cover page.
Contact List Template (Attachment 12)

- Identifies the names and contact information of the project manager, administrator, and accounting officer.

- Applicant should complete the information in the “Recipient” column shown in blue text

- Energy Commission staff will complete the information in the “California Energy Commission” column
Resolution Form (Attachment 13)

• A Resolution is required for certain organizations, such as local governments, special districts, and school districts.

• This resolution will be required after the posting of the NOPA but before approval at an Energy Commission business meeting.

• The resolution must contain the information in Attachment 13.
Guidelines for Cost and Benefit Calculations (Attachment 14)

- The information on this form provides a basis for applicants to estimate the potential impact associated with successful completion of their proposals. Applicants must provide an estimate of the proposed project’s cost and benefits according to the measurement areas listed in this form.

- All calculations should be supported with a documented explanation and the citation of sources for assumed input values.

- To address uncertainties, applicants may use input values that represent cost and/or performance targets for the technology. Applicants should discuss how and to what extent the project, if successful, will advance the technology toward these targets.
Guidelines for Cost and Benefit Calculations (Attachment 14) (cont’d)

• Three calculators are provided for this solicitation:
  – Small-Scale Bioenergy LCOE Calculator (Topic A) accessible at:
    http://www.cpuc.ca.gov/NR/rdonlyres/69848D0B-9EA3-466B-8B8F-CE1E0EEF1894/0/PublicDRAFTLCOEModelCPUCSB1122.xlsx
  – Biogas Upgrade Cost Calculator (Topic A) included in the solicitation files
  – CHP Cost Calculator (Topic C) included in the solicitation files

• Applicants should provide a copy of the completed calculator as part of the application package. If not using a calculator, clearly explain why it is not applicable and provide other cost measures and justifications for these measures.
Sample Projects (Attachment 15)

- This attachment provides sample projects that fall within each topic area (A, B, and C)

- The list of projects is not exhaustive, though all projects must meet the requirements described in Part II for the solicitation manual (Eligibility Requirements)
How will my Proposal be Evaluated?

→ Application Screening

**Application Screening Process** (page 21)

1. Energy Commission staff screens applications per criteria in the solicitation (pages 24-25).
2. Criteria is evaluated on a pass/fail basis.
   - Applicants must pass all screening criteria or the applicant will be disqualified
   - Applicants must review the Evaluation and Award Process section of the solicitation and ensure that the Project Narrative provides a clear and complete response to each screening criteria.

**Some Reasons for Failing Screening**

- Application not submitted by the specified due date and time
- Applicant did not address one of the eligible project groups
- Requested funding is outside of the specified minimum/maximum range
- Project completion date beyond the specified agreement end date
- Application contains confidential material
- Application does not include one or more support letters, as described in Attachment 11
What is the technical scoring scale?

<table>
<thead>
<tr>
<th>% of Possible Points</th>
<th>Interpretation</th>
<th>Explanation for Percentage Points</th>
</tr>
</thead>
</table>
| 0%                   | Not Responsive    | • The response does not include or fails to address the criteria.  
                      |                    | • The omission(s), flaw(s), or defects(s) are significant and unacceptable.                                                                                  |
| 10-30%               | Minimally Responsive | • The response minimally addresses the criteria.  
                           |                    | • The omission(s), flaw(s), or defect(s) are significant and unacceptable.                                                                                   |
| 40-60%               | Inadequate        | • The response addresses the criteria.  
                           |                    | • There are one or more omissions, flaws, or defects or the criteria are addressed in a limited way that results in a low degree of confidence in the proposed solution. |
| 70%                  | Adequate          | • The response adequately addresses the criteria.  
                           |                    | • Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.                                                                               |
| 80%                  | Good              | • The response fully addresses the requirements being scored with a good degree of confidence in the applicant’s response or proposed solution.  
                           |                    | • There are no identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.                       |
| 90%                  | Excellent         | • The response fully addresses the criteria with a high degree of confidence in the applicant’s response or proposed solution.  
                           |                    | • The applicant offers one or more enhancing features, methods, or approaches that exceed basic expectations.                                                |
| 100%                 | Exceptional       | • All requirements are addressed with the highest degree of confidence in the applicant’s response or proposed solution.  
                           |                    | • The response exceeds the requirements in providing multiple enhancing features, a creative approach, or an exceptional solution.                      |
How will my application be evaluated?

- Evaluation Committee applies the scoring scale to the scoring criteria.
- For criteria 1 to 4—a minimum score of 49.00 is required for an Application to be considered for funding, and
- A total minimum passing score of 70 out of 100 points is needed for all criteria (1 to 7)
- Bonus points are also awarded (blue)
- Applicants must review the Evaluation and Award Process section of the solicitation and ensure that their application provides a clear and complete response to each scoring criteria in the project narrative.

<table>
<thead>
<tr>
<th>Scoring Criteria (page 29-34)</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Technical Merit and Need</td>
<td>20</td>
</tr>
<tr>
<td>2. Technical Approach</td>
<td>20</td>
</tr>
<tr>
<td>3. Impacts and Benefits to California IOU Ratepayers</td>
<td>20</td>
</tr>
<tr>
<td>4. Team Qualifications, Capabilities &amp; Resources</td>
<td>10</td>
</tr>
<tr>
<td>5. Budget Cost Effectiveness</td>
<td>10</td>
</tr>
<tr>
<td>6. Funds Spent in California</td>
<td>15</td>
</tr>
<tr>
<td>7. Ratio of Direct Labor and Fringe Benefit Rates to Loaded Labor Rates</td>
<td>5</td>
</tr>
</tbody>
</table>

| Total                          | 100            |
| Minimum points to pass        | 70             |
| Match Funding Above 20%        | 5              |
| California-Based Entity        | 5              |
Technical Merit and Need (Criterion 1)

- Describes the goals, objectives, technological or scientific knowledge advancement, and innovation in proposed project.
  - Are all project goals addressed?
- Lead to technological advancement and breakthroughs that overcome barriers to achieving the state’s energy goals.
- Summarizes and explains how the project will advance, supplement, and/or replace relevant technology and/or scientific knowledge, technology.
- Demonstrates that all the project criteria, are met, or are planned to be met by the project during the project term.
Technical Merit and Need (Criterion 1) (cont’d)

- Justifies need for NG RD&D funding, explains why work is not adequately supported by competitive or regulated markets.
- Discusses how proposed work is technically feasible and achievable.
- Summarizes the current technology and explains how the proposed project will advance, supplement, or replace current technology.
- Provides a clear and plausible measurement and verification plan.
- For Topic A:
  - Identifies targeted host facilities and highlights the benefits of on-site biogas utilization and/or biomethane production.
  - Identifies how proposed project will reduce capital costs, increase system efficiency, improve biomethane quality, utilize alternate feedstocks, or other breakthroughs which lead to increased biomethane deployment.
Technical Merit and Need (Criterion 1)
(cont’d)

• For Topic B:
  – Identifies targeted industries and highlights the benefits on-site electricity production.
  – Identifies how proposed project will decrease capital costs, reduce system size, increase system efficiency, widen operating range, or other breakthroughs which lead to increased bottoming cycle deployment.

• For Topic C:
  – Identifies targeted host facilities and highlights the benefits of on-site electricity and heat production.
  – Identifies how proposed project will promote CHP adoption, improve economic attractiveness, increase system flexibility, achieve high efficiency, better utilize waste heat, or other breakthroughs which lead to increased CHP deployment.
Technical Approach (Criterion 2)

- Describes the technique, approach, and methods to be used in providing performing the work described in the Scope of Work. Highlights any outstanding features.
- Describes how tasks will be executed and coordinated with various participants and team members.
- Identifies and discusses factors critical for success, in addition to risks, barriers, and limitations. Provides a plan to address them.
- Describes how the knowledge gained, experimental results, and lessons learned will be made available to the public and key decision-makers.
Impacts and Benefits for California IOU Ratepayers (Criterion 3)

- Explains benefits to California Investor-Owned Utility (IOU) ratepayers with respect to NG RD&D goals: greater reliability, lower costs, and/or increased safety.
- Provides quantitative estimates of potential benefits for NG IOU ratepayers.
- States timeframe, assumptions, & calculations for estimated benefits & explains reasonableness.
- Identifies CA impacted market segments & underlying assumptions.
- Discusses qualitative or intangible benefits to NG IOU ratepayers, including timeframe & assumptions.
- Provides cost-benefit analysis - compares project costs to anticipated benefits & includes how costs & benefits will be calculated & quantified, & identifies assumptions (Attachment 14.)
Team Qualifications, Capabilities, and Resources (Criterion 4)

- Organizational structure of applicant & project team & chart.
- Identifies key team members *(Attachment 5)*.
- Summarizes team members qualifications, experience, capabilities, & credentials *(Attachment 5)*.
- Explains management & coordination of tasks, & how project manager’s experience supports management & coordination.
- Describes facilities, infrastructure & resources available to team.
- Describes team’s history of completing projects (e.g., RD&D projects) & commercializing &/or deploying results/products.
- Identifies projects that resulted in market-ready technology *(Attachment 10)*.
- References, within past three years *(Attachment 10)*.

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Team Qualifications, Capabilities, and Resources (Criterion 4) (cont’d)

- Identifies & explains collaborations with utilities, industries, or others.
- Demonstrates financial ability to complete project, as indicated in responses to the following questions:
  - Has your organization been involved in a lawsuit or government investigation in past ten years?
    - If yes, what was the final disposition of the case, including any settlement/judgment amount?
  - Does your organization have overdue taxes?
  - Has your organization ever filed for or does it plan to file for bankruptcy?
  - Has any party that entered into an agreement with your organization terminated it, and if so for what reason?
  - For Energy Commission executed agreements listed in application within past five years, has organization failed to provide final report by due date?
Team Qualifications, Capabilities, and Resources (Criterion 4) (cont’d)

• Support or commitment letters (for match funding, test sites, demonstration/deployment sites, or project partners) indicate strong support or commitment & value associated with match funding amounts is supported & reasonable.

• Describe progress in CEQA process.
Budget and Cost-Effectiveness (Criterion 5)

- Justifies the reasonableness of the requested funds relative to the project goals, objectives, and tasks.

- 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.

- Explains why hours proposed for personnel & subcontractors are reasonable to accomplish Scope of Work activities (Attachment 6).

- Explains how the applicant will maximize funds for technical tasks & minimize expenditure of funds for program administration & overhead.
Projects that spend NG RD&D 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.

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.”
Ratio of Direct Labor and Fringe Benefit Rates to Loaded Labor Rates (Criterion 7)

- 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.
Project Match Funds (Criterion 8)

- Match funding of 20% of requested NG RD&D funds is required. Scoring criteria and points only apply to match funding commitments above minimum required.

- Points applied only for those that achieve a minimum score of 70.

- To qualify for consideration, match funding contributors must submit match funding commitment letters & follow Attachment 11 requirements.
Project Match Funds (Criterion 8) (cont’d)

- 3 points for this criterion will be awarded based on the percentage of match funds above the minimum required relative to the NG RD&D funds requested. This ratio will be multiplied by 3 to yield the points and rounded to the nearest whole number.

- The remaining 2 points for this criterion will be based on the level of commitment, dollar value justification, and funding replacement strategy.
California-Based Entity (Criterion 9)

- Preference points are awarded to California-Based Entities (CBEs).
- Points applied only for those that achieve a minimum score of 70.
- A California-Based Entity (CBE) Form (Attachment 9) must be completed and submitted as part of the application package.
- Energy Commission staff will verify CBE status and award 5 preference points to CBEs.
Grounds for Rejection

An application may be rejected by the Energy Commission for the following reasons:

- Application contains false or misleading statements
- Application is intended to mislead the State in its evaluation
- The application does not comply with the solicitation requirements
- The application contains confidential information
- Applicant is not in compliance with royalty provisions from previous Energy Commission awards
- Applicant has received unsatisfactory evaluations from the Energy Commission or another California state agency
- Applicant has not demonstrated financial capability to complete the project
- Applicant is a business that is not in good standing with the California Secretary of State
- The application is not submitted in the format specified
## Key Dates

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<thead>
<tr>
<th>Activity</th>
<th>Action Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Solicitation Release</td>
<td>December 10, 2014</td>
</tr>
<tr>
<td>Pre-Application Workshop</td>
<td>December 22, 2014</td>
</tr>
<tr>
<td><strong>DEADLINE FOR WRITTEN QUESTIONS</strong></td>
<td>December 29, 2014 by 5:00 p.m.</td>
</tr>
<tr>
<td>Post Questions and Answers to Website</td>
<td>January 9, 2015</td>
</tr>
<tr>
<td><strong>DEADLINE TO SUBMIT APPLICATIONS</strong></td>
<td>February 6, 2015 by 3:00 p.m.</td>
</tr>
<tr>
<td>Post Notice of Proposed Award (NOPA)</td>
<td>March 24, 2015</td>
</tr>
<tr>
<td>Anticipated Energy Commission Business Meeting Date</td>
<td>June 10, 2015</td>
</tr>
<tr>
<td>Anticipated Agreement Start Date</td>
<td>July 2015</td>
</tr>
<tr>
<td>Agreement Termination Date</td>
<td>July 2018</td>
</tr>
</tbody>
</table>
Other Information

- Updates on Solicitation Documents and today’s presentation:
  http://www.energy.ca.gov/contracts/pier.html#PON-14-505
- Sign up for the Listserv by selecting “Opportunity:”
  www.energy.ca.gov/listservers/
- Information on NG RD&D:
  www.energy.ca.gov/research/index.html
- Information on other NG RD&D solicitations:
  www.energy.ca.gov/contracts/pier.html
Questions and Answers

• Please send all PON related questions in written form to:

  Doug Harvey  
  Commission Agreement Officer  
  Douglas.Harvey@energy.ca.gov

Please add “PON-14-505 Question” in Subject Line

Deadline to submit questions is  
5:00 PM PDT, December 29, 2014!