



# Alternative and Renewable Fuel and Vehicle Technology Program

Community-Scale and Commercial-Scale  
Advanced Biofuels Production Facilities

GFO-15-606

Pre-Application Workshop  
Art Rosenfeld Hearing Room, CEC  
July 26, 2016



# Introductions

- Welcome
- Housekeeping/Logistics
  - Bathrooms
  - 2<sup>nd</sup> Floor Snack Shop
  - In case of emergency
- Diversity Survey
  - <https://www.surveymonkey.com/r/CEC-07-26-2016>



# Commitment to Diversity

The Energy Commission adopted a resolution on April 8, 2015, to firmly commit to:

- Increase participation of women, minority, disabled veteran and LGBT business enterprises in program funding opportunities.
- Increase outreach and participation by disadvantaged communities.
- Increase diversity in participation at Energy Commission proceedings.
- Increase diversity in employment and promotional opportunities.



# Commitment to Diversity

**Fairness** – Increase funding accessibility to all Californians.

**Inclusion** – Small businesses make up a significant portion of the U.S. economy.

**Job Creation** – Projects can create jobs for residents of the underserved communities.

**Diversity of Ideas** – Great ideas occur in a variety of areas.

**Diversity in Communities' Needs** – Needs vary widely from one area to the next (air quality, socioeconomic, etc.).



## Agenda

Solicitation overview 9:30 a.m.

- Eligible applicants, projects, and project costs
- Application format, required documents, and delivery
- Evaluation process and criteria

Questions and answers 10:30 a.m.

Adjourn 11:30 a.m.



# Solicitation Overview

Purpose: The development of low carbon biofuel production projects at new and existing biofuel production facilities; existing biofuel production facilities must expand or modify facilities to increase production capacity (pg. 3).



## Key Activities (pg. 4)

ACTIVITY	ACTION DATE
Solicitation Release	July 15, 2016
Pre-Application Workshop*	July 26, 2016 at 9:30 a.m.
Deadline for Written Questions*	July 26, 2016 at 5:00 p.m.
Anticipated Distribution of Questions/Answers and Addenda (if any) to solicitation	Week of August 8, 2016
<b>Pre-Application Abstract Due by 5:00 p.m.*</b>	<b>August 15, 2016</b>
Anticipated Pre-Application Abstract Results	September 19, 2016
<b>Deadline to Submit Full Applications by 5:00 p.m.*</b>	<b>October 31, 2016</b>
Anticipated Notice of Proposed Award Posting Date	December 12, 2016
Anticipated Energy Commission Business Meeting Date	Upon CEQA Completion



## Available Funding (pg. 4)

- Approximately \$37 million funding is available.
- Funds will be divided into two funding categories based on annual production capacity increase.

Annual Production Capacity (diesel gallon equivalent)	Available Funding
100,000 to 1.0 million DGE	\$12,048,108
Above 1.0 million DGE	\$25,048,107



## Maximum Award (pg. 5)

- The maximum requested award per project is determined by the following calculation, up to \$6 million:

***Maximum grant award = \$3 million +  
(Proposed Increase to Annual Fuel  
Production Capacity \* Performance  
Multiplier)***



# Maximum Award, continued (pg. 5)

## Performance Multiplier Table:

Proposed Increase to Annual Fuel Production Capacity (MGPY DGE)	Performance Multiplier (\$/DGE)
$\geq 17.0$	\$0.15
$\geq 13.0$	\$0.14
$\geq 8.0$	\$0.13
$\geq 5.0$	\$0.12
$> 1.0$	\$0.11
0.1 – 1.0	\$0.10



# Maximum Award Example Table

$$\begin{aligned}
 & \text{Increase to} \\
 & ( \text{Annual Fuel Production Capacity} * \text{Performance Multiplier} ) + \$3 \text{ million} = \text{Maximum Grant Award}
 \end{aligned}$$

Project	Increase in Annual Prod Capacity (DGE)	Performance Multiplier	Additional Capacity Award	Base Award	Maximum Award
A	500,000	\$0.10	\$50,000	\$3,000,000	\$3,050,000
B	1,100,000	\$0.11	\$121,000	\$3,000,000	\$3,121,000
C	5,000,000	\$0.12	\$600,000	\$3,000,000	\$3,600,000
D	20,000,000	\$0.15	\$3,000,000	\$3,000,000	\$6,000,000



## At Least Eight Awards Possible

- If all awarded projects request the maximum award, this GFO could fund at least **four** <1 million DGE and **four** >1 million DGE projects.

Project	Increase in Annual Prod Capacity (DGE)	Maximum Award
< 1 mil gal	1,000,000	\$3,100,000
> 1 mil gal	20,000,000	\$6,000,000

\* 4 = **\$12.4 million**

\* 4 = **\$24 million**



# Eligible Applicants (pg. 7)

- Businesses
- Public agencies
- Non-profit organizations
- Vehicle and technology entities
- Public-private partnerships
- Academic institutions



# Eligible Applicants, continued (pg. 7)

- Must have a business presence in California.
- Registered and in good standing with the California Secretary of State.



# Eligible Projects (pg. 7-8)

- New, low carbon biofuel production facilities, or projects at existing biofuel facilities that expand or modify the facility to increase production capacity.
- Projects must produce a transportation fuel used to mitigate the environmental effects of on-road motor vehicle air emissions.
  - Aviation / other off-road fuels are ineligible.



# Eligible Projects, continued (pg. 7-8)

- Project must produce at least 100,000 DGE per year of biofuel.
- Projects producing an eligible biofuel, using an eligible feedstock (see p. 7-8).
- Projects must be constructed and operated in California.



# Eligible Project Costs (pg. 9)

- Facility pre-engineering and design
  - Engineering plans and specifications
  - Building and facility construction and/or modifications
  - Asset and/or equipment acquisitions
  - Feedstock development activities
- (...complete list on page 9)*



# Match Funding Requirements (pg. 9-10)

- Minimum of 50% match share of the total allowable project costs.
- Applicants that do not meet the minimum match share requirement will be disqualified.



# Match Funding Requirements, continued (pg. 9-10)

- Match share funding must include a minimum **cash** contribution equal to at least 50 percent of Energy Commission funding; examples:

Project	CEC Funds Requested	Total Match Contribution	Cash Contribution Required
X	\$5 million	\$5 million	\$2.5 million
Y	\$5 million	\$10 million	\$2.5 million



# Match Funding Requirements, continued (pg. 9-10)

- Cash contributions are defined as expenditures in which a financial transaction has occurred.
- Examples of match which are *not* cash contributions include:
  - Stock options and other investments
  - Donated or loaned labor hours
  - Existing equipment, vehicles, facilities, land, inventory, other property, and fixed assets



# Applicant Performance (pg. 11)

- An applicant's performance, if any, under an existing or prior Energy Commission agreement will be considered as part of an applicant's score in the Project Readiness and Implementation criteria.
- In addition, the Energy Commission reserves the right to cancel an agreement awarded under this solicitation due to poor performance by Applicant under an existing Energy Commission agreement.



# Project Execution (pg. 11)

- Grant agreement must be signed within 60 days of award notification (NOPA).
- All subcontracts must be approved and signed within 90 days of the executed agreement.



# Two-Phase Scoring Process (pg. 12)

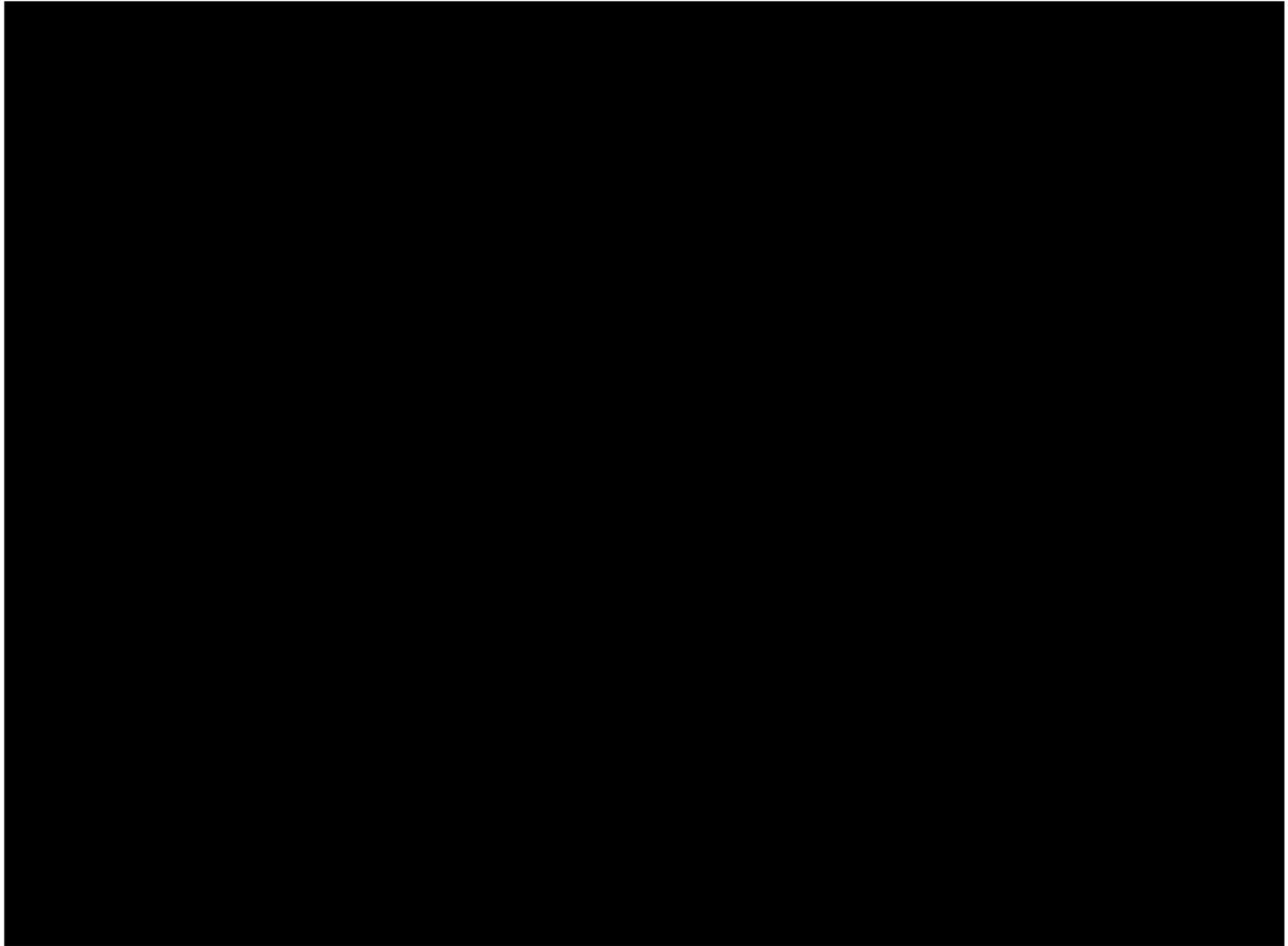
- **Pre-Application Abstract Technical Scoring**
  - Limited to 10 page project abstract
  - To pass, abstracts must receive a 70% score or higher (35 points)
- **Full Application Screening and Scoring:**
  - *Full proposals must be consistent with previously submitted and passing pre-proposal abstract.*



# Online Application Process



# California Energy Commission





# Online Filing and Pre-Application Process

- The online application system will contain two separate submission dates.
- When logging in for the Pre-Application Phase, applicants will only see the deadline/option for the pre-application.



# Online Filing and Confidentiality

- All materials submitted will be treated as confidential until the NOPA is posted.
- Any part of the application clearly marked and meeting the confidentiality provisions of the solicitation will remain confidential.
- We encourage filing all documents either all online or all hardcopy. Do not mix hard copy and electronic formats of your application.



# Confidential Material (pg. 20-21)

- Sections of the Business Plan may be provided as confidential information:
  - Corporate financial records
  - Technology trade secrets
  - Price components of feedstock purchase agreements and off-take agreements
- Confidential material must be submitted as a separate, clearly-labeled volume of the application.



# Confidential Material, continued

(pg. 20-21)

- The specified information will be kept confidential pursuant to California Government Code sections 6254(k) and 6254.15.
- The specified information will be kept confidential from receipt to seven (7) years following the posting of the NOPA.
- Information other than the specified information is only confidential until the release of the NOPA.



# Pre-Application Abstract Process and Criteria



# Pre-Application Scoring Criteria

(pg. 17-18)

<b>Pre-Application Abstract Scoring Criteria</b>	
<b>Project Summary</b>	15
<b>Project Readiness and Implementation Schedule</b>	15
<b>Funding Request and Cost Effectiveness</b>	15
<b>Project Benefits</b>	5
<b>Total Possible Points</b>	<b>50</b>



## Pre-Proposal Abstract due Aug 15

Home -> contracts -> GFO-15-606

### GFO-15-606-Community-Scale and Commercial-Scale Advanced Biofuels Production Facilities

[Parent Directory](#)

Name	last modified <small>Color dates added today</small>	Size
00 GFO-15-606 Biofuels Manual.doc	Jul 15, 2016	466 kb
01 Attach-01A Pre-Application Abstract Form.doc	Jul 15, 2016	103.5 kb

<http://www.energy.ca.gov/contracts/transportation.html#GFO-15-606>



# Full Application Process and Criteria



# Full Application Evaluation (pg. 34)

- Application Evaluation
  - Screening Criteria
    - Administrative
    - Technical
  - Technical Evaluation



# Administrative Screening Criteria

(pg.33-34)

- Application **MUST** be received by due date and time stated in solicitation (No exceptions).
- Application form **MUST** be completed and signed by Applicant's authorized representative.
- Applicant must agree to the Terms and Conditions.
- The application does not contain confidential information, except for eligible parts of the Business Plan, separated and clearly labeled as confidential.
- Minimum 50% match share funding provided, and cash contribution equals at least 50% of CEC funds.



# Technical Screening Criteria (pg.34)

- Applicant is eligible (Section II.A, Eligible Applicants).
- Project is eligible (Section II.B, Eligible Projects).



# Full Application Scoring Criteria

(pg. 35-38)

Scoring Criteria	Points
Qualifications of Project Team	25
Business Plan (Technology Plan, Marketing Plan, and Financial Plan)	90 (30 each)
Project Readiness and Implementation	45
Project Budget and Cost Effectiveness	50
Project Benefits	40
Sustainability	50
<b>TOTAL POSSIBLE POINTS:</b>	<b>300</b>



## Scoring Scale (pg.35)

<b>% of Possible Points</b>	<b>Interpretation</b>
0%	Not Responsive
10-30%	Minimally Responsive
40-60%	Inadequate
70%	Adequate
80%	Good
90%	Excellent
100%	Exceptional



# Technical Evaluation (pg. 34)

- The score for each criterion will be the average of the scores of evaluation committee members.
- A minimum score of 70 percent (210 points) is required for the application to be eligible for funding.



# Evaluation Criteria (pg. 35-38)

- Applicants should ensure applications:
  - Fully and clearly address each criterion, including all sub-bullets within each criterion.
  - Carefully organize information to facilitate review and evaluation.
  - Include all assumptions and calculations (as applicable) utilized.



# CEQA (pg. 30-31)

- Projects recommended for funding must complete the CEQA process within 6 months of the release date of the NOPA.
- The Energy Commission reserves the right to cancel proposed awards that do not meet this CEQA compliance deadline.



# Project Budget and Cost Effectiveness (pg. 25)

- Budget is cost effective (see below) and the proposed costs are reasonable.
- Budget minimizes the Energy Commission funding per diesel gallon equivalent of neat biofuel produced annually.
- Project results in a lower cost effectiveness score defined as the dollar of Energy Commission funding per Metric Ton of annual GHG reductions.



# Project Budget, continued

(see Attachment 5)

- Task budget summary is no longer required (only category budget summary).
- New, shortened budget template.
- New, shortened invoice form.
- New large equipment purchase procedures.
  - Equipment over \$200,000 per vendor requires vendor verification of purchase



## Resources

Home → contracts → GFO-15-606

### GFO-15-606-Community-Scale and Commercial-Scale Advanced Biofuels Production Facilities

[Parent Directory](#)

Name	last modified <small>Color dates added today</small>	Size
00 GFO-15-606 Biofuels Manual.doc	Jul 15, 2016	466 kb
01 Attach-01A Pre-Application Abstract Form.doc	Jul 15, 2016	103.5 kb
02 Attach-01B Application Form.doc	Jul 15, 2016	115 kb
03 Attach-02 Scope of Work Template.doc	Jul 15, 2016	103 kb
04 Attach-03 Scope of Work Instructions.doc	Jul 15, 2016	48 kb
05 Attach-04 Schedule of Products and Due Dates.xlsx	Jul 15, 2016	34.4 kb
06 Attach-05 Budget Forms.xls	Jul 15, 2016	225.5 kb
07 Attach-06-Contacts List.docx	Jul 15, 2016	21.6 kb
08 Attach-07 CEQA Worksheet.doc	Jul 15, 2016	103.5 kb
09 Attach-08 Localized Health Impacts.doc	Jul 15, 2016	28.5 kb
10 Attach-09 ARV ExhibitC General Grant TsandCs.doc	Jul 15, 2016	156.5 kb
11 Attach-10 Calculations Tables.xls	Jul 15, 2016	96 kb



# Submittal Process

- Online
  - <https://gss.energy.ca.gov/>
  - (Attachments requiring signatures may be scanned and submitted in PDF format)
- Hard Copy
  - One hard copy
  - One electronic copy (CD-ROM or USB memory stick)



## Additional Information

### Solicitation Documents, Updates, and Email ListServ

<http://www.energy.ca.gov/contracts/transportation.html#GFO-15-606>

#### 2015-16 Investment Plan Update

<http://www.energy.ca.gov/2014publications/CEC-600-2014-009/CEC-600-2014-009-CMF.pdf>

#### 2016-17 Investment Plan Update

<http://www.energy.ca.gov/2015publications/CEC-600-2015-014/CEC-600-2015-014-SD.pdf>



# Questions and Answers (pg. 4)

- Accepting oral questions during this workshop.
- Accepting written questions until July 26, 2016 at 5:00p.m.



## Contact Information

Please send questions and comments to:

**Janna Franks, Commission Agreement Officer**

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# Adjournment

Thank you and good luck!