



Pre-Application Workshop

Bringing Energy Efficiency Solutions to California's Industrial, Agriculture and Water Sectors

PON-14-304

Energy Efficiency Research Office
California Energy Commission
August 28, 2014



Agenda

Time	Topic
1:00 pm	Welcome and Introductions <ul style="list-style-type: none">• Housekeeping• Background, Policy Drivers• Solicitation Purpose, Goals , Funding• Eligible Applicants• Key Dates
1:30 pm	Submission Requirements Two-stage Process <ul style="list-style-type: none">• Abstract• Proposal Match Funds Monitoring and Verification Plan Marketing Plan Grounds for Rejection
2:00 pm	Questions and Answers



Housekeeping

- In case of emergency
- Facilities
- Muting of WebEx during presentation
- Q&A protocol
- Updates on Solicitation Documents and today's presentation can be found at:

www.energy.ca.gov/contracts/PON-14-304/PON-14-304_00_Application_Manual.pdf



Background

- The Electric Program Investment Charge (EPIC) is funded by an electricity ratepayer surcharge established by the (CPUC) in 2011
- The purpose of EPIC is to benefit the ratepayers of three electric investor-owned utilities*
- EPIC funds clean energy technology projects that promote greater electricity 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 \$162 million per year with 80% administered by the California Energy Commission.

*Pacific Gas and Electric Co., San Diego Gas and Electric Company and Southern California Edison



Policy Drivers for Industrial, Agriculture and Water Efficiency RD&D

- Assembly Bill 32 (Global Warming Solutions Act of 2006)
- Integrated Energy Policy Report
- California Clean Energy Jobs Plan
- California Public Utilities Commission, Energy Efficiency Strategic Plan





Purpose of Solicitation

To fund deployment of electricity-related, energy efficient industrial, agriculture and water/wastewater process improvements at multiple sites

See Attachment 15 for project categories



Goals

- To bring promising pre-commercial energy efficiency technologies and strategies closer to market.
- To accelerate commercialization of electricity saving technologies that are beneficial to the industrial agriculture and water sector.

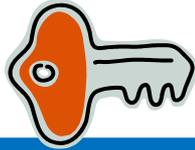
Pre-commercial technology: A technology that has not reached commercial maturity or been deployed at scales sufficiently large and in conditions sufficiently reflective of anticipated actual operating environments to enable the appraisal of operational and performance characteristics, or of financial risks



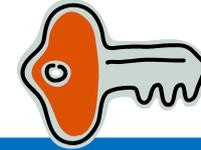
Funding

- Up to \$27.3 million available
- Minimum request is \$1 million
- Maximum request is \$5 million





Key Dates



Activity	Action Date
✓ Solicitation Release	August 13, 2014
Pre-Application Workshop	August 28, 2014
<u>DEADLINE FOR WRITTEN QUESTIONS</u>	<u>August 29, 2014 by 5p.m.</u>
Post Answers to Questions to Website	Week of September 15, 2014
<u>DEADLINE TO SUBMIT ABSTRACTS (Stage 1)</u>	<u>October 2, 2014, 3:00 p.m.</u>
Posting Stage 1 Results	October 31, 2014
<u>DEADLINE TO SUBMIT PROPOSALS (Stage 2)</u>	<u>January 2, 2015</u>
Post Notice of Proposed Award	February, 2015
Anticipated Energy Commission Business Meeting Date	May, 2015
Anticipated Agreement Start Date	June, 2015
Agreement Termination Date	March, 2019



Eligible Applicants

- This is an open solicitation for public and private entities and individuals
- **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>
- All applicants must agree to the terms and conditions located at: www.energy.ca.gov/research/epic



Eligible projects

- Must be advanced, pre-commercial technologies
- Are beyond “proof of concept” stage
- Are ready for **large scale deployment**
- **All project deployments** must be in an IOU Service Territory



Eligible projects (con't)

- Must have completed field, lab, bench-scale, and/or pilot-scale tests in an industrial setting
- Must have at least 6 months of measurement and verification data to show actual energy and cost savings and other benefits



Targeted Areas

- Industrial energy efficiency process improvements
 - Examples: foundries, boilers, burners, and heat recovery
- Water and waste water energy efficiency
 - Examples: process improvements and pumps
- Post-harvest agricultural processes
 - Examples: vegetable cleaning and peeling, and water recycling
- Data center improvements
 - Examples: air conditioning and high-efficiency chipsets
- Reduce Peak load through demand response industrial technologies

See Attachment 15 “Project Categories” for more



Targeted Areas- Energy Intensive Industries

- Food Processing
 - Evaporation, frying, peeling, refrigeration, water reclamation
- Cement
 - Clinker process improvements
- Chemical Manufacturing
 - Carbon capture technology, real-time pipeline monitoring
- Glass
 - Melting, refining, conditioning, advanced heat transfer
- Pharmaceuticals
 - Cleanrooms, fume hoods
- Water/Wastewater Treatment
 - Oxidation technologies, biosolids treatment

See Attachment 15 “Project Categories” for more



Two Stage Process

- **Stage One: Abstract**
 - **Limit each abstract to eight pages**
 - **Pass/fail basis using Stage 1 screening criteria listed beginning on page 25 of the Application Manual**
- **Stage Two: Formal Proposal**
 - **Meet all criteria in Section F (Stage Two Proposal Screening) on page 27**
 - **Those that pass proposal screening will then be evaluated according to the criteria in Section G (proposal scoring) starting on page 29**



Stage One Abstract Requirements

- **Application Form (Attachment 1)**
 - (no page limit)
- **Abstract Project Summary (Attachment 13)**
 - 8 page limit

Make sure you adhere to the formatting requirements beginning on page 15 of the Application Manual



Abstract Requirements (Attachment 13)

- **Abstract Project Summary Describes**
 - purpose and scope of the proposed project
 - technical and implementation issues,
 - the need for EPIC funding,
 - how the project is unique and not duplicative of existing technology
 - Others that support the need for the technology
 - how the project will:
 - (1) provide California electricity IOU ratepayers with greater reliability, lower energy costs, and/or increased safety; and
 - (2) lead to technological advancements and breakthroughs that overcome barriers to achieving the state's statutory energy goals

This summary is aligned with the abstract screening criteria #10 beginning on page 25



How Will My Abstract be Evaluated?

Stage One Abstract Screening (page 25 of the Application Manual)

Must pass **all 10 criteria** to progress to Stage Two. Highlights of a few criteria:

- # 2 The abstract **addresses one of the project categories** in Attachment 15 (Project Categories)
- # 4 Requested funding must fall within the minimum and maximum award amount
- # 6 The abstract must be complete
- #7 Identifies two or more deployment sites located in CA IOU service territory



Common Reasons for Failing

- ✓ **Applicant does not adequately justify need for EPIC funds**
- ✓ **Applicant does not explain ratepayer benefits**
- ✓ **Application fails to identify two or more deployment sites**
- ✓ **Application not signed**
- ✓ **Requested funding is outside of the specified minimum/maximum range**
- ✓ **Application does not include results of pilot, bench-scale tests**
- ✓ **Project completion date beyond the specified agreement end date**
- ✓ **Proposal contains confidential material**
- ✓ **Project does not meet the eligibility requirements, (e.g., not an energy efficiency project)**



Stage Two Proposal Requirements

- Consists of Two Parts
 - Part 1 – Proposal Screening (Section F, page 27)
 - Part 2 – Proposal Scoring (Section G, pages 28-30)



Stage Two Proposal Requirements (con't)

Every Applicant must complete and include the following Attachments:

1. Application Form	7. Budget
2. Executive Summary (limit 2 pages)	8. CEQA Compliance Form
3. Fact Sheet (limit two pages)	9. References and Work Product (two pages per project)
4. Project Narrative (limit 20 pages)	10. Contact List
5. Project Team (one page for each form and two pages each resume)	11. Commitment Letters (two pages per letter)
6. Scope of Work (includes 6a) (thirty pages)	12. Marketing Plan (fifteen pages)



How will my Proposal be Evaluated? Stage 2 Proposal Screening

Application Screening Process (page 27 of the Application Manual)

- 1. Energy Commission staff screens applications per criteria listed in the Application Manual on pg. 27**
- 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.**



Project Narrative (Attachment 4)

- Project Narrative form follows the Stage 2, Proposal Scoring Criteria beginning on page 29 of the Application Manual
- Complete the form by providing 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 (See B-4 of Attachment 7- Budget)
 7. Ratio of Unloaded Labor Rates to Loaded Labor Rates
 8. Match above the 20% minimum (optional)
- Provide enough detail so that reviewers will be able to evaluate the proposal against each of the scoring criteria.



Scope of Work (Attachment 6)

- Ensure that the problem/Solution Statement and Goals and Objectives are consistent with the Project Narrative
- All task 1 items are mandatory; do not revise
 - Task 1: General Project Tasks
 - Task TBD-1 Evaluation of Project Benefits
 - Task TBD-2 Technology/Knowledge, Transfer Activities
 - Task TBD-3 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.



Budget (Attachment 7)

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
- ✓ 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
- ✓ Rates Summary - Att B-7 (for evaluation purposes)

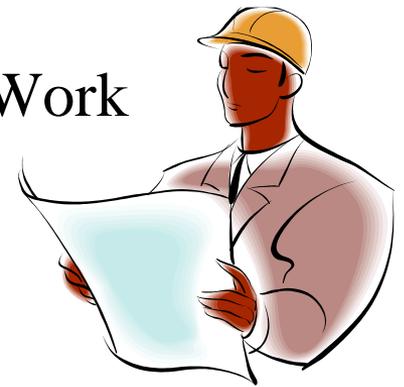
Don't delete sheets or rows;
use the hide/expand function

The Applicant must submit information on **all** of the attached budget forms, and this will be deemed the equivalent of a formal Cost Application.



Eligible Expenses (See Budget, Attachment 7)

- Equipment
- Installation
- Site preparation
- Monitoring and verification of energy savings and other benefits
- Operations and maintenance
- All tasks identified in the Statement of Work





Commitment Letters (Attachment 11)

Commitment letters are required for:

- **Match funding.** Commitment letter to be signed by each representative of the entity or individual that is committing to providing match funding. Letter must: (1) identify the source(s) of the funds; and (2) guarantee the availability of the funds for the project
- **Deployment site.** Commitment letters to be signed by an authorized representative of each proposed deployment **site**.
- **Project partner.** Commitment letters for those making contributions other than match funding or deployment site. Letter must be signed by an authorized representative and: (1) identifies how the partner will contribute to the project; and (2) commits to making the contribution.



Marketing Plan (Attachment 12)

- Every applicant must complete a marketing plan
- Purpose of the marketing plan is for the applicant to describe the strategy for marketing the proposed technology
- Market plan must include:
 - Description of Proposed Technology
 - Industry Analysis
 - Marketing strategy
 - Price
 - Financial Plan
 - Growth Highlights



Reasons for Failing Stage 2 Screening

- ✓ **Applicant does not identify two deployment sites or does not include commitment letters**
- ✓ **Application not signed**
- ✓ **Applicant did not address at least one of the eligible funding areas**
- ✓ **Applicant did not include 20% required match funds, or include commitment letters**
- ✓ **Application does not follow specified format**
- ✓ **Applicant has not identified independent, third party M & V**
- ✓ **Proposal contains confidential material**



What is the technical scoring scale?

% of Possible Points	Interpretation	Explanation for Percentage Points
0%	Not Responsive	<ul style="list-style-type: none"> The response does not include or fails to address the criteria. The omission(s), flaw(s), or defects() are significant and unacceptable.
10-30%	Minimally Responsive	<ul style="list-style-type: none"> The response minimally addresses the criteria. The omission(s), flaw(s), or defect(s) are significant and unacceptable.
40-60%	Inadequate	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The response adequately addresses the criteria. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
80%	Good	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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
- **A minimum passing score of 70% is required for criteria 1 to 4—equivalent to a score of 49 in order for 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)**
- 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.

Scoring Criteria (page 27-30)	Maximum Points
1. Technical Merit and Need	20
2. Technical Approach	20
3. Impacts and Benefits to California IOU Ratepayers	20
4. Team Qualifications, Capabilities & Resources	10
5. Budget Cost Effectiveness	10
6. Funds Spent in California	15
7. Ratio of Direct Labor and Fringe Benefit Rates to Loaded Labor Rates	5
Total	100
Minimum points to pass	70



Project Match Funds

- **Minimum match funding required = 20% of the EPIC funds requested**
- 20% Match funding is required for this solicitation
- Match funding includes cash in hand, equipment, materials, information technology services, travel, subcontractor costs, contractor in-kind labor, advanced practice costs.
 - Refer to Section 1, item E of the Application manual, pages _7, 8, for eligible sources of match
- Match funding sources include those from the prime contractor, subcontractors, and pilot test sites (e.g., test site staff services).
- Commitment letters are required from all match fund contributors (see requirements in Attachment 11)



Match funds Exceeding 20% Minimum

- Applicants that provide more than the 20% of the required match will receive **additional points** (see Criterion 8 – Match Funding above the 20% Minimum, page 32 of the Application Manual)
- Additional points are applied only for those that achieve a minimum score of 70 in criteria 1-7 (pages 29-31)
- Up to 10 points may be awarded based on the amount and commitment of the provider

- Commitment letters are required from all match fund contributors (see commitment letter requirements in Attachment 11)



Grounds for Rejection

An application will be disqualified 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

See complete List of grounds for rejection, Part IV , section C of the Application Manual



Key Dates

Activity	Action Date
✓ Solicitation Release	August 15, 2014
Pre-Application Workshop	August 28, 2014
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Post Notice of Proposed Award	February, 2015
Anticipated Energy Commission Business Meeting Date	May, 2015
Anticipated Agreement Start Date	June , 2015
Agreement Termination Date	March 31, 2019



Other Information

- **Updates on Solicitation Documents and today's presentation:**
www.energy.ca.gov/contracts/epic.html#PON-14-304
- **Sign up for the Listserver by selecting "Opportunity:"**
www.energy.ca.gov/listservers/
- **Information on EPIC:**
www.energy.ca.gov/research/epic/index.html
- **Information on other EPIC solicitations:**
www.energy.ca.gov/contracts/epic.html



Questions and Answers

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

Michael Poe

Commission Agreement Officer

michael.poe@energy.ca.gov

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