

DOCKETED

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Project Title:	Zero Emission Vehicle-Related Manufacturing
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Pre-Solicitation Workshop

Zero-Emission Vehicle Battery Manufacturing Block Grant

Fuels and Transportation Division
January 25, 2022 | 10:00 am



Housekeeping

- Workshop is being recorded.
- Workshop Event Webpage:
<https://www.energy.ca.gov/event/workshop/2022-01/pre-solicitation-workshop-zero-emission-vehicle-zev-battery-manufacturing>
- Virtual Participation through Zoom
 - Raise Hand or Q&A feature
 - Telephone participants dial *9 to raise your hand
- Written Comments to Docket # 21-TRAN-05:
<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=21-TRAN-05>
Deadline: Wednesday, February 9, 2022 by 5:00 PM



Commitment to Diversity

The CEC adopted a resolution strengthening its commitment to diversity in our funding programs. The CEC continues to encourage disadvantaged and underrepresented businesses and communities to engage in and benefit from our many programs.

To meet this commitment, CEC staff conducts outreach efforts and activities to:

- Engage with disadvantaged and underrepresented groups throughout the state;
- Notify potential new applicants about the CEC's funding opportunities;
- Assist applicants in understanding how to apply for funding from the CEC's programs;
- Survey participants to measure progress in diversity outreach efforts.



Workshop Purpose

- The CEC is preparing a solicitation to select a block grant implementer.
- The funding recipient will design and implement grant funding for in-state ZEV battery manufacturing and production projects in the clean transportation sector.
- CEC staff are seeking ideas and feedback on what to include in a solicitation for a block grant implementer – *not* on the battery manufacturing and production grants themselves.



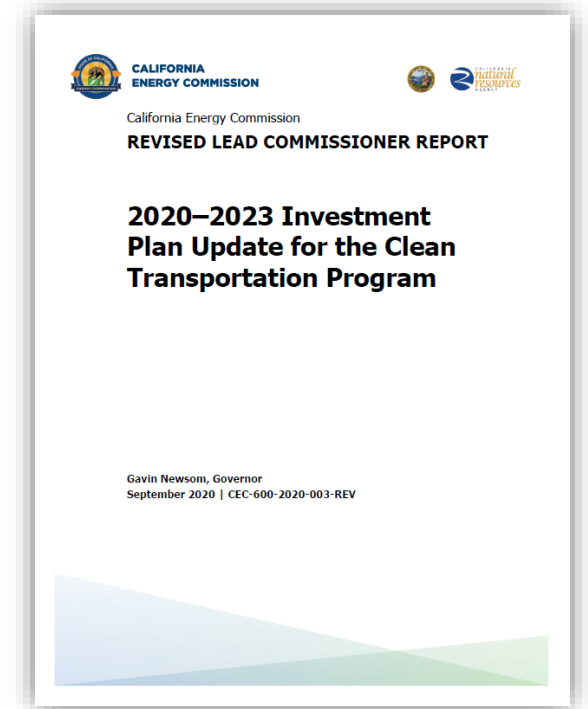
Workshop Agenda

- 10:05 a.m. Welcome and Introductions
- 10:10 a.m. Background
- Overview of the Clean Transportation Program
 - Overview of manufacturing funding
- 10:30 a.m. Draft Solicitation Concept
- 10:45 a.m. Proposed Block Grant Implementer Responsibilities
- 11:15 a.m. Solicitation Scoring, Selection, and Award Process
- 11:30 a.m. Public Comments
- 12:00 p.m. Next Steps
- 12:10 p.m. Adjourn



Clean Transportation Program Background

- Established in 2007 by Assembly Bill 118 (2007)
- Extended to January 1, 2024 by Assembly Bill 8 (2013)
- Provides approximately \$95 million in base program funding per year through 2023.
- Investment Plan to determine funding allocations across various categories
- Past awards for manufacturing: \$55 million for 27 projects
- Recent awards for block grants: Up to \$756 million for four block grants focused on ZEV infrastructure incentives





California Budget Act of 2021

- Senate Bill 129 (Skinner, 2021)
 - \$125 million for FY 2021-2022 (\$118.75 million after admin costs)
 - Available for encumbrance until **June 30, 2024.**
 - Available for liquidation until **June 30, 2026.**
 - \$125 million for FY 2022-2023 (pending Legislative approval)
 - *"...shall be used to support manufacturing grants to increase in-state manufacturing of zero-emission vehicles, zero-emission vehicle components, and zero-emission vehicle charging or refueling equipment."*



SB 129 Legislative Guidelines

- Projects should, among other criteria, be selected based on the following criteria:
 1. Likelihood that manufacturing activities would not have otherwise occurred in-state either in terms of the entity's presence in CA or at the scale that may not otherwise be achieved without the manufacturing grant.
 2. Number and quality of direct and indirect jobs created.
 3. Economic impact to the state.
 4. Ability of the project to contribute to California's goals of zero-emission transportation.
- ...shall not award more than \$50 million in ZEV manufacturing grants per awardee



Two Solicitations Under Development

Subject	Target	Initial Funding (\$M) *	Pre-Solicitation Workshop	Expected Solicitation Release
ZEV- and ZEV-Related Manufacturing	Direct grant agreements for a broad range of eligible ZEV-related manufacturing activities; includes batteries and more.	\$60	<u>October 29, 2021</u>	March 2022
ZEV Battery Manufacturing Block Grant	Block grant implementer that can develop and implement multiple, smaller awards to battery manufacturers.	\$25	<u>January 25, 2022</u>	May 2022

*The CEC may allocate additional funding based on applications received, as well as additional funding appropriated for 2022-23.



Why a Block Grant?

- Benefit from added expertise in:
 - In-state battery manufacturing and supply chain
 - Battery technologies and advancements
 - Lithium Valley-related opportunities
- Address stakeholder requests for smaller grants targeting startups and early-stage companies
- Leverage the resources of a third-party implementer.



Questions and Discussion Break #1

- Questions for CEC
- Questions for stakeholders:
 - In considering a block grant approach for the funding of ZEV battery manufacturing projects, what benefits or opportunities should we seek to maximize?
 - What potential costs or downsides should we be wary of?

Zoom Participants

- Use the “raise hand” or Q&A feature to make verbal comments or ask questions

Telephone Participants:

- Dial *9 to raise your hand
- Dial *6 to mute/unmute your phone line.



Draft Solicitation Concept

Zero-Emission Vehicle Battery Manufacturing Block Grant

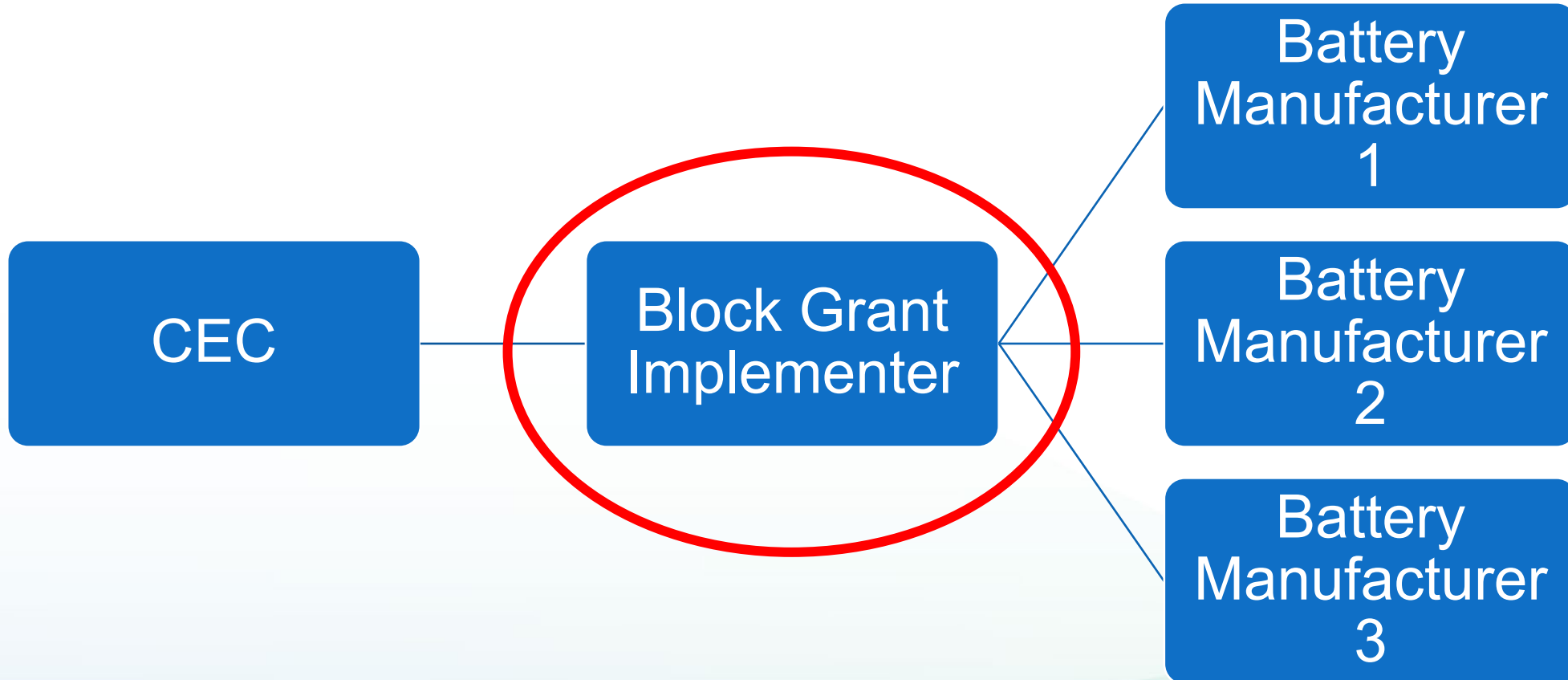


Purpose of Solicitation

- Competitive solicitation for a block grant implementer.
- **Goal:** Identifying and funding opportunities to expand in-state ZEV battery manufacturing.



Block Grant Implementer





Eligible Applicants

- Open to all not-for-profit technology entities organized to advance transportation technologies located in California.
- Not-for-profit technology entity = entity filing as and operating under the Internal Revenue Service's requirement of a 501(c)(3) corporation.
- Required to be registered and be in good standing with the California Secretary of State, <https://www.sos.ca.gov>, to enter into an agreement with the CEC.



Funding

- Initial funding: \$25 million, with the potential to allocate additional funding in the future.
- No match funding requirement for the block grant implementer.
- Administrative costs < 7% of available funds.
- Administrative costs = all costs incurred under the agreement, except for funds disbursed to eligible third parties as ZEV battery manufacturing grants.





Questions and Discussion Break #2

- Questions for CEC
- Questions for stakeholders:
 - Is a 7 percent cap on administrative costs sufficient to implement block grant projects? If not, what level is sufficient and justified?
 - Are there items that should be separated from administrative costs?
 - Should CEC provide funding for one-time, initial set up costs in lieu of an overall percentage? Should administrative costs be divided into fixed costs and proportional costs?

Zoom Participants

- Use the “raise hand” or Q&A feature to make verbal comments

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Proposed Block Grant Implementer Responsibilities

Zero-Emission Vehicle Battery Manufacturing Block Grant



Implementer Requirements

Conduct
Outreach

Develop and
Host Website

Project
Selection

Funding
Implementation

Data Collection
and Reporting



Conduct Outreach

- Develop and conduct outreach and advertisement plans.
 - Determine type of outreach and materials.
 - Attend industry and community events.
 - Engage with low-income and disadvantaged communities.
- Plan, host/attend, and conduct workshops.



Develop and Host Website

- Develop user-friendly, publicly accessible webpages that include:
 - Online application forms
 - Ability to submit online grant applications
 - Applicable documents and forms related to the manufacturing projects
 - Ability to display total funds (available; reserved; expended)
 - Resources and tools
 - Support for multiple languages (English and Spanish at minimum)
 - Email subscription



Project Selection

- Develop a mechanism for competitively evaluating proposals for funding.
- The implementer will work with CEC staff to identify, define, and prioritize manufacturing project selection criteria, such as:
 - Description of manufacturing process to be funded
 - Impact of the project on in-state ZEV battery production
 - Grant amount requested
 - Project plan with timeline
 - Strategies to leverage private funding
 - Economic impact to local community and the state
 - Quantity, quality, and sustainability of jobs
 - Benefits to low-income households and disadvantaged communities



Funding Implementation

- Develop processes and procedures to:
 - Process and distribute grant funds
 - Minimize errors, fraud, waste, and abuse
 - Ensure grant funds are available to pay for approved work
 - Expedite grant processing and disbursement
 - Allow third parties to provide additional funding
 - Separately track funding sources (in addition to CEC)
- Quickly scale up to include additional projects, if additional funds become available



Data Collection and Reporting

- Collect and analyze data on manufacturing projects, including data needed to comply with the budget bill legislation approving these manufacturing funds.
- Establish, maintain, and submit all project records to the CEC, if requested.
- Prepare and submit a final report for each project.



Questions and Discussion Break #3

- Questions for CEC
- Questions for stakeholders:
 - Are there additional outreach or website elements CEC should require?
 - Project eligibility will be determined by the CEC and block grant implementer after the block grant is executed. However, are there any ZEV battery manufacturing-related project types we should be mindful of now, as we prepare our block grant solicitation?
 - Are there other activities we should expect from a block grant implementer?

Zoom Participants

- Use the “raise hand” or Q&A feature to make verbal comments

Telephone Participants:

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Solicitation Scoring, Selection, and Award Process

Zero-Emission Vehicle Battery Manufacturing Block Grant



Block Grant Selection and Award

- Competitive application process
- Only one award expected
- Notice of Proposed Award
- CEC Business Meeting approval



Proposed Scoring Criteria

Scoring Criteria	Points
Team Resources, Qualifications, and Experience	35
Implementation and Technical Readiness	40
Budget	15
Innovation and Benefits	10
Total Possible Points	100
Minimum Passing Score (70%)	70



Proposed Key Dates and Activities

Activity	Anticipated Date
Solicitation Release	May 2022
Pre-Application Workshop	June 2022
Deadline to Submit Applications	August 2022
Anticipated Notice of Proposed Award Posting	September 2022
Anticipated Energy Commission Business Meeting	January 2023
Block Grant Agreement Execution	February 2023
Implementer Accepts Applications	Q3 2023
Implementer Proposes Awards	Q4 2023



Questions and Discussion Break #4

- Questions for CEC
- Questions for stakeholders:
 - Is there anything missing from the proposed scoring criteria that should be incorporated?
 - Are the scoring criteria weighted appropriately?
 - Is the solicitation timeline realistic, or is it too fast or too slow?

Zoom Participants

- Use the “raise hand” or Q&A feature to make verbal comments

Telephone Participants:

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Public Comment/Discussion Period

Zoom Participants

- Use the “raise hand” feature to make verbal comments

Telephone Participants:

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Written Comments

<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=21-TRAN-05>

Deadline for comment: Wednesday, February 9, 2022 by 5:00 pm.



Submit Comments to Docket 21-TRAN-05

Electronic Commenting System

Visit the comment page for this docket at:

<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=21-TRAN-05>

Comment by E-mail

E-mail: docket@energy.ca.gov

Subject Line: "21-TRAN-05 Block Grant"

All comments due by 5:00 pm on February 9, 2022



Next Steps

Activity	Date
Workshop comment period ends	February 9, 2022, 5 p.m.
Solicitation release	May 2022*
Pre-Application Workshop	June 2022*

* Anticipated dates. Subject to change.

To sign up for the Opportunity listserv, visit:

https://ww2.energy.ca.gov/listservers/index_cms.html



Thank you for participating remotely.