

DOCKETED

Docket Number:	22-ERDD-01
Project Title:	Community Energy Reliability and Resilience Investment Program
TN #:	255327
Document Title:	CERRI Responses to Draft Solicitation Feedback
Description:	N/A
Filer:	Christina Cordero
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	3/29/2024 8:04:46 AM
Docketed Date:	3/29/2024



22-ERDD-01

Community Energy Reliability and Resilience Investment Program

Draft Solicitation Responses

March 28, 2024

The CEC would like to thank each of the persons and entities that provided feedback on the Community Energy Reliability and Resilience Investment (CERRI) program Draft Solicitation. This document summarizes changes made to the Final Solicitation as a result of those comments and clarifies some restrictions and requirements of the CERRI program. The following responses are based on California Energy Commission (CEC) staff's interpretation of the comments received. Comments and questions have been grouped into categories and are numbered sequentially. The name of the entity commenting will be followed by the comment or question in blue italics, followed by the CEC's response in black.

Please Note: The CERRI program has changed its name from Community Energy Resilience Investment (CERI) to Community Energy Reliability and Resilience Investment (CERRI) to better align with the program objectives and its eligible activities. This document uses both CERI and CERRI within it depending on context. Both refer to the same program.

Contents

Applicant Eligibility	3
Project Eligibility	4
Funding	6
Preference Points	7
Resilience Modeling	7
Resilience Impact Score	8
Program Objectives	9
Disadvantaged Community Criteria	10
Pre-Application Workshop	10
Terms and Conditions	10
Project Narrative	11

Applicant Eligibility

1. California Climate and Energy Collaborative; Joint Non-Profits

Recommend that the Commission include Community Choice Aggregation agencies (CCAs) as eligible entities under Section II.A.1 of the CERI Solicitation Manual, exempt from any requirement to submit a U.S. Department of Energy (DOE) eligible entity request form.

CEC Response: Community Choice Aggregators (CCAs) that meet one of the criteria in the Infrastructure Investment and Jobs Act (IIJA) Section 40101(a)(2) (e.g., electricity storage operator, electricity generator, distribution provider, etc.) are automatically considered eligible entities. If a CCA does not meet one of the criteria, an [Eligibility Application](#) should be submitted to the Secretary of Energy through the CEC as soon as possible to ensure eligibility before the application submission deadline. Please ensure that the eligibility application provides comprehensive details and meets the necessary criteria outlined by the CEC for consideration. Instructions for submitting the Eligibility Application can be found on the [CERRI Webpage](#) under the “Resources” dropdown menu.

2. California Climate and Energy Collaborative; Joint Non-Profits

Remove transmission owners and operators as eligible entities, such that they would fall under the category of “any other relevant entity” subject to said requirement to obtain approval from the Secretary of Energy to gain eligibility.

CEC Response: Based on input received from stakeholders during our public engagement process, the CERRI program will continue to maintain the federal definition of eligible entities for these funds. Excluding these entities could impede critical grid reliability and/or resilience projects.

3. Clean Coalition

Would a Community Choice Aggregator (CCA) qualify as an eligible Lead Applicant/Prime?

CEC Response: Community Choice Aggregators (CCAs) that meet one of the criteria in BIL Section 40101(a)(2) (e.g., electricity storage operator, electricity generator, distribution provider, etc.) are automatically considered eligible to serve as Lead Applicants/Primes. If a CCA does not meet one of the criteria, an [Eligibility Application](#) should be submitted to the Secretary of Energy through the CEC as soon as possible to ensure eligibility before the application submission deadline. See response to [Comment 1](#) for more information.

4. Clean Coalition

Are the following organizational types eligible as a subawardee to the Prime and eligible to receive grant funds: nonprofit organizations, community-based organizations (who also may be nonprofits), local government entities (cities, counties), judicial court branches of the State, academic institutions, national laboratories, and California Independent System Operator?

CEC Response: Yes, nonprofit organizations, community-based organizations, governmental entities, academic institutions, national laboratories, and independent system operators are all eligible subrecipients to prime recipients and are eligible to receive grant funds.

Project Eligibility

5. California Climate and Energy Collaborative; Joint Nonprofit Parties

Exclude transmission/distribution infrastructure projects as “Eligible Activities” given the low resilience return on investment (ROI) possible from such upstream efforts due to diminishing resilience returns with increasing distance between generation and load.

CEC Response: Stakeholder feedback from public workshops emphasized a preference to avoid restricting eligible activities, including transmission and distribution infrastructure projects. The CERRI program operates under the guidance of the Infrastructure Investment and Jobs Act (IIJA) Section 40101(d), which allocates funding for many grid-hardening activities, emphasizing a mix of reliability and resilience solutions.

6. Clean Coalition

As we know, front-of-the meter (FOM) solar + storage and microgrid projects continue to experience challenges with being able to move forward to interconnection and operation. Hence, does the CEC envision the CERRI Program funding opportunities to be focused on behind-the-meter (BTM) projects and/or front-of-the-meter (FOM) projects?

CEC Response: The CEC recognizes the reliability and resilience implications of both behind-the-meter and front-of-the-meter projects in advancing the goals of the CERRI program and does not inherently preference one project type over the other. The program aim is to support projects that align with the eligible activities outlined in the IIJA Section 40101(d) bill language and that provide the greatest reliability or resilience benefit.

7. Clean Coalition

Would a Community Microgrid approach be an eligible project?

CEC Response: Community microgrids are eligible projects under the CERRI program. However, per the bill language, the CERRI program cannot fund any new generation, and generation cannot be used as match funding. Therefore, funding for the generation portion of a community microgrid will need to already exist or be secured independently and separately from the CERRI program.

8. Clean Coalition

Will the CEC’s CERRI Program consider affordable housing developments and transitional housing that allow temporary housing for the homeless while seeking a more permanent housing facility as eligible project site locations since these housing solutions serve disadvantaged/underserved/low-income communities?

CEC Response: Projects located at transitional housing sites, including those that serve temporary housing for the unsheltered, are allowable under the CERRI program, as long as they are located in California.

9. Mainspring Energy

Solicitation should be amended to include hydrogen as an eligible fuel when utilized via a distributed energy resource, alongside other distributed energy resources (DERs) such as other energy storage resources (e.g., batteries) and microgrids. Green electrolytic hydrogen

is already recognized as a form of energy storage in both the California Public Utilities Code and California Public Resources Code.

The Draft CERI grant funding opportunity (GFO) should be amended to include clean distributed generation that operates in a manner consistent with the definition of DERs. Dispatchable, fuel-flexible, clean firm power is generally utilized in a manner that can be categorized as a DER. The Draft CERI GFO notes the Bipartisan Infrastructure Law prohibits federal grant awards for construction of a new electric generating facility; the Commission should denote that any California state funds utilized for the CERI program could be made eligible for distributed generation operating as a DER.

CEC Response: The solicitation is written to align with the IIJA Section 40101(d) bill language and does not exclude hydrogen as an eligible fuel when used via a DER or as storage. To further clarify, the CERRI program may fund projects that use hydrogen, as long as they meet the eligibility criteria (i.e., must be used for enhancing system adaptive capacity during disruptive events).

In accordance with DOE's specifications and their confirmation to the CEC, the CERRI program is prohibited from funding any new generation projects, even with the State's contribution of match funding. Therefore, funding for the generation portion of a project will need to already exist or be secured independently and separately from the CERRI program. Our commitment is to support initiatives that contribute to the reliability and resilience of the electricity system without introducing new generation.

10. San Diego Gas and Electric (SDG&E)

Clarify whether applications can include a multi-project scope. The Draft solicitation lists several eligible activities that could be submitted under project applications. SDG&E requests that the CEC clarify in the final solicitation whether a single application for funding could support multiple projects, provided each element is an identified eligible activity.

For example, would a single application for a project serving multiple communities be eligible (e.g., vegetation management which serves multiple communities, or community microgrids which serve the same resiliency purpose but are placed in multi areas of the state)? Would an application with multiple types of resiliency projects, serving a single community be eligible (e.g., vegetation management paired with a microgrid and training component)?

CEC Response: The CEC will clarify in the final solicitation that applications can include up to three geographically disparate subprojects under one application. Further, we will clarify that multiple eligible activities can be proposed under one subproject as long as they are geographically contiguous or clearly address the same resilience or reliability need of a community.

Applicants should be advised that before projects can commence, the DOE must ensure National Environmental Policy Act requirements have been satisfied and must formally approve CEC recommended projects. As such, applications that are anticipated to have long lead times due to environmental review complexities may not score as favorably as those that are closer to shovel-ready projects, as outlined in the Project Management criterion in Section IV.F of the solicitation.

11. San Diego Gas & Electric (SDG&E)

Expand “eligible activities” to include utility use communication infrastructure advancement.

CEC Response: The CERRI program is restricted to financing activities explicitly outlined in the IIJA Section 40101(d). It does not have the authority to broaden the scope of eligible activities. However, the CERRI program may fund projects focused on enhancing grid resilience that are associated with powering communication infrastructure. An example of such a project, which was proposed in another state, included the installation of a battery backup system to ensure the uninterrupted operation of critical communication systems during power outages.

12. Benz Air Engineering

The Draft CERI GFO language should be amended to clarify that clean distributed generation is a type of DER included in Eligible Activities under the stipulation that the net heat rate of such DERs is substantially less than the current and future grid heat rate.

CEC Response: The DOE has specified that the IIJA Section 40101(d) funding that funds the CERRI program cannot fund any new generation, even if it is considered a type of DER. Funding awarded under the CERRI program can be used to fund subcomponents and storage components of microgrids, but no generation components. Additionally, the DOE has stipulated that match funding for the program cannot be used to fund new generation.

Funding

13. California Climate and Energy Collaborative (CCEC); Joint Nonprofit Parties

Reduce project funding thresholds to ensure a broad and diverse distribution of CERI solutions, and maximize and more evenly distribute projects within LSE service territories located throughout California.

CEC Response: The CERRI program operates under significant administrative funding constraints, leading to limitations in staffing resources. To address these constraints while still accommodating a diverse range of projects, the program has adopted the approach of allowing up to three geographically disparate subprojects to be included under a single proposal as described in response to [Comment 10](#) above. The final CERRI solicitation will also reduce the minimum funding threshold to \$10M for large entities as suggested here and by San Diego Gas & Electric ([Comment 15](#)).

14. Clean Coalition

Will the CEC’s CERI Program entail grant funding restrictions such as minimum grant funding percentage allocations, i.e.: Technology Knowledge Transfer, Administration, Project Management, Equipment, etc.?

CEC Response: The CERRI program does not impose grant funding restrictions in terms of minimum percentage allocations for specific categories such as Technology Knowledge Transfer, Administration, Project Management, or Equipment. However, there are specific grant requirements that recipients must adhere to, such as the development and execution of a comprehensive Workforce Development Plan and a Community Engagement, Benefits, and Impacts Plan.

15. San Diego Gas & Electric (SDG&E)

For large entities, lower the minimum award amount to \$10 million and lower the match funding requirement to 100%. SDG&E recommends the CEC consider lowering the minimum award amount for large entities to \$10 million.

CEC Response: Given this feedback and to ensure funds are spent efficiently on projects with the highest reliability and resilience needs, the CERRI team has decided lower the minimum award amount for large entities to \$10 million.

16. San Diego Gas & Electric (SDG&E)

Similarly, if there is no restriction in the legislation governing the use of these funds, SDG&E recommends the match funding requirement for larger parties be reduced to 100%.

CEC Response: The IIJA Section 40101(d) stipulates that states administering these funds must provide 15% in match funding. The CEC was successful in securing the required 15% State Match Requirement for Year 1 of Federal Funding through the California legislature but was unsuccessful in securing the Year 2 requirement. As a result, that match requirement must be passed onto grant recipients, as stipulated by the DOE.

Preference Points

17. San Diego Gas & Electric (SDG&E)

Include preference points for projects that leverage existing renewable energy infrastructure. Promoting the installation of battery storage or microgrid technologies at sites that have existing renewable energy resources can increase the benefits of those clean resources by providing additional flexibility for when and how the resources can be utilized, especially if the existing renewable resource is an intermittent resource like photovoltaic (PV) and its output isn't being fully utilized midday when load is low.

CEC Response: The final solicitation has amended budget and cost-effectiveness scoring criteria to favor projects that leverage otherwise stranded assets or existing infrastructure. Preference points for existing infrastructure will however not be awarded. Proposals should additionally consider the program's "Advance Energy and Climate Goals" scoring criterion. This scoring criterion will effectively award a greater number of points to projects that will help California meet its ambitious goals for modernizing the state's energy infrastructure and combating climate change (e.g., SB 100¹).

Resilience Modeling

18. Lawrence Berkeley National Lab (LBNL)

Recommend using building and citywide modeling tools like EnergyPlus and CityBES to prioritize resilience investments.

There is also the need for more decision support tools for resilience investments, potentially which could accept building address and type and provide options for extreme weather

¹ California Energy Commission staff. 2021. [SB 100 Joint Agency Report: Creating a Path to a 100% Clean Energy Future. California Energy Commission](https://www.energy.ca.gov/publications/2021/2021-sb-100-joint-agency-report-achieving-100-percent-clean-electricity). Publication Number: CEC-200-2021-001. <https://www.energy.ca.gov/publications/2021/2021-sb-100-joint-agency-report-achieving-100-percent-clean-electricity>

conditions and recommend lowest cost and highest impact investment measures for greater resilience.

Similarly, the energy efficiency and emerging building electrification ecosystem should be expanded to include climate resilience where possible, rather than having separate stove-piped programs. Energy efficiency audits can be expanded to include electrification readiness assessments as well as health and resilience assessments. Integrated retrofit programs can be piloted with similar objectives to maximize energy as well as health/safety and other non-energy benefits, reduce or eliminate GHG emissions, and improve climate resilience.

Extreme weather resilience and heat resilience in particular is a major equity issue. Potential solutions:

To protect the residents from extreme weather, low cost passive cooling measures can improve heat resilience and reduce the required capacity for HVAC units.

One possible solution to HVAC use during heat waves that researchers at the lab have been thinking of is to develop an affordable “survival kit” (or “resilience in a box”), which is a portable package of installation-free/easy-to-install and no-power/low-power devices/technologies that help improve indoor environment and thermal comfort.

Similarly, designs should be developed for both new and existing buildings to have the capability to shift into low power mode operation during times of grid stress or during extreme heat waves such as during the evening when solar power is ramping down and less available.

CEC Response: The CERRI program is primarily a grid-hardening program to increase reliability and resiliency at the community level. This program is funded through the IJIA Section 40101(d) and has strict eligible activity requirements. Activities outside of the eligible list, including research and development activities, cannot be funded under the CERRI program.

Resilience Impact Score

19. California Climate and Energy Collaborative (CCEC); Joint Nonprofit Parties

Reformulate the Resilience Impact Score into a comprehensive, holistic scoring formula that focuses on all potential risks of a power outage (heat, wildfire, flooding, sea-level rise, mudslides, debris flows, earthquakes, public safety power shutoffs, etc.).

CEC Response: Based on the feedback received here and from other agencies, the final solicitation will not include the Resilience Impact Calculator (Attachment 05 of Draft Solicitation) and its associated score in the scoring criteria. The 20 points originally allocated to the calculator will now be reallocated to the following criteria: Project Need, Merit, and Goals (additional 10 points); Project Management (additional 5 points); and Priority Communities (additional 5 points). Applicants will instead be asked to provide their own data justifying the need for the project.

20. Lawrence Berkeley National Laboratory (LBNL)

Recommends creating a standard protocol to quantify resilience benefits.

Measured parameters include outdoor weather (air temperature, humidity, wind speed, solar irradiance), indoor IEQ (air temperature, humidity, CO2), energy use, and occupancy at the building level and hourly resolution.

Benefits to quantify include community level energy savings, energy costs savings, peak demand reduction, GHG emissions reduction, and improvements in occupant comfort.

Community benefits also include reduction in number of power interruptions or durations, reduction in mortality and health related costs, reduction in property damages, and other non-energy impacts such as productivity and educational outcomes.

CEC Response: The myriad of eligible activities in the CERRI program complicate the creation of a standard protocol, as some activities lend themselves to clear quantitative outcomes, while others are more diffuse. The program also lacks the administrative budget to create such tools.

Recipients will be required to develop a Community Engagement, Benefits, and Impact Plan and Report as part of their projects and will report on multiple benefits and other metrics, including reduction in number of power interruptions, health-related costs, etc. The template for this required project deliverable will soon be posted on the [CERRI Webpage](#). Recipients will also be required to fill out the [Annual Project Metrics and Impact Report Template](#) for each year that the project receives CERRI funding.

Program Objectives

21. California Climate and Energy Collaborative (CCEC); Joint Nonprofit Parties

Align CERI program objectives to incorporate the bottom-up concept of a “Max DG Pathway” that maximizes the development of distributed generation on built environments located close to load: the only source of true energy resilience.

CEC Response: Stakeholder feedback from public workshops emphasized a preference to avoid restricting eligible activities and to foster a broad and diverse array of projects. Additionally, the CERRI program operates under the guidance of the IIJA Section 40101(d), which allocates funding for many grid-hardening activities, emphasizing a mix of reliability and resilience solutions.

22. ICARP, Governor's Office of Planning & Research

Consider requiring applicants to allocate funds to the CBOs and/or Tribes who are assisting with community engagement.

CEC Response: The CERRI program already requires primary applicants to partner with community-based organizations (CBOs) and/or Tribes to facilitate effective community engagement. However, we have not designated specific funding requirements for these partnerships. This decision is intentional, recognizing the diverse needs and scopes of potential projects. We encourage applicants to collaboratively determine the appropriate allocation of funds with their chosen CBOs or Tribes based on the unique context of each project. This flexibility allows for tailored solutions that best serve the project’s intended community and align with the goals of the CERRI program.

Disadvantaged Community Criteria

23. ICARP, Governor's Office of Planning & Research

Shift language to more closely align with CARB's California Climate Investment criteria.

ICARP example: "Defined as Disadvantaged Communities by the California Environmental Protection Agency per SB 535 (See the [CARB Priority Populations 2023 tool](#)

"Disadvantaged Communities Tribal Lands" and "Disadvantaged Communities CES4" layers). Census tracts defined as disadvantaged by AB 1550, including census tracts with median household incomes at or below 80 percent of the statewide median income OR with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093 of the California Health and Safety Code (see the [CARB Priority Populations 2023 tool](#) "Low-income communities" layer)."

CEC Response: Given this feedback, the final solicitation will use the [CARB Priority Populations 2023 Tool](#) for the Priority Communities preference points scoring criteria.

Preference points will be granted to low-income communities (5 points) and disadvantaged communities (5 points for Cal Enviro Screen 4.0 (CES4) communities and 10 points for tribal communities). Communities that are categorized as two priority populations (e.g., disadvantaged and low-income community) will be eligible for both categories for a maximum of 15 preference points. Note that preference points are only awarded to projects that first meet the minimum passing score requirements outlined in Section IV.F of the final solicitation.

24. San Diego Gas & Electric (SDG&E)

SDG&E recommends that the CEC consider broadening the population covered by the Disadvantaged Communities or California Native-American Tribal Territories preference to also include low-income Californians and Access & Functional Need (AFN) customers.

CEC Response: Based on the feedback received, the CERRI team has integrated preference points for low-income communities in California as described above in response to [Comment 23](#).

Pre-Application Workshop

25. ICARP, Governor's Office of Planning & Research

Consider adding additional Pre-Application Workshops to provide more opportunities for low-capacity applicants attend.

CEC Response: The CERRI team strives to make our workshops as accessible as possible. Our team will host one pre-application workshop, which will be recorded and posted on our website for later viewing. After the pre-application workshop, there will be a two-week Question and Answer (Q&A) period in which potential applicants can write in questions that will be answered in a formal document and posted online.

Terms and Conditions

26. ICARP, Governor's Office of Planning & Research

Consider options to remove waiver of sovereign immunity for tribal applicants.

CEC Response: The CERRI program must adhere to many requirements that are stipulated by the DOE. To ensure that these requirements are enforced through the agreed upon contract, the CERRI program must require tribal applicants to submit a waiver of sovereign immunity.

Project Narrative

27. ICARP, Governor's Office of Planning & Research

To further the equity goals stated in the program manual, we encourage CERI staff to further incorporate questions related to equity advancements in the narrative questions, where possible. This may include revising question 4C [in regard to disadvantaged communities] to replace the “n/a” option with information on how applicants will engage with vulnerable communities throughout their engagement.

CEC Response: The final solicitation will award preference points to disadvantaged communities (CES4 and Tribal) as well as low-income communities as per ICARP’s suggestion (see [Comment 23](#)). Ten additional points have also been reallocated from the Draft Resilience Impact Score to the Project Merit, Need, & Goals. As part of this criterion, applicants are encouraged to state and justify the need for their projects and how they will promote energy equity in their narrative responses.