

DOCKETED

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Information Session

Community Energy Reliability and Resilience Investment (CERRI) Program

Energy Research and Development Division, California Energy Commission

Presenter: Alana Webre

Date: January 15, 2025



Housekeeping

- Zoom Recording
- Muting on Zoom
- Comments/Questions



- Today's presentation slides and recording will be posted on the CEC webpage for this event:

<https://www.energy.ca.gov/event/workshop/2025-01/cerri-program-information-session>



Agenda

Agenda Item
Welcome and Introduction
CERRI Program Background & Requirements
Round 2 Funding
Evaluation & Award Process
Next Steps
Q&A
Adjourn



Background & Requirements



Program Background



- Funded by **Grid Resilience Formula Grants** (section 40101(d) of the Infrastructure Investment and Jobs Act), which funds projects that:
 - Improve resilience
 - Generate community benefit
 - Advance equity priorities
 - Invest in America's workforce

The Infrastructure Investment and Jobs Act can be accessed here: <https://www.congress.gov/bill/117th-congress/house-bill/3684/text>



Program Funding

Program Year	Funding ¹	Award Status	Solicitation Round
Year 1	\$32,098,957	Awarded	1
Year 2	\$32,023,469	Awarded	1
Year 3	\$37,275,005	Awarded	2
Year 4	\$35,157,244	Pending	Undetermined
Year 5	~\$35M	Not Yet Released	Undetermined

1) 5% Admin Costs Deducted.

Annual state funding allocations can be accessed here: <https://www.congress.gov/bill/117th-congress/house-bill/3684/text>



Program Purpose

The CERRI Program will fund projects across California that align with its objectives:



Increase Energy Reliability & Resilience



Provide Community Benefits & Equity



Advance State Energy and Climate Goals



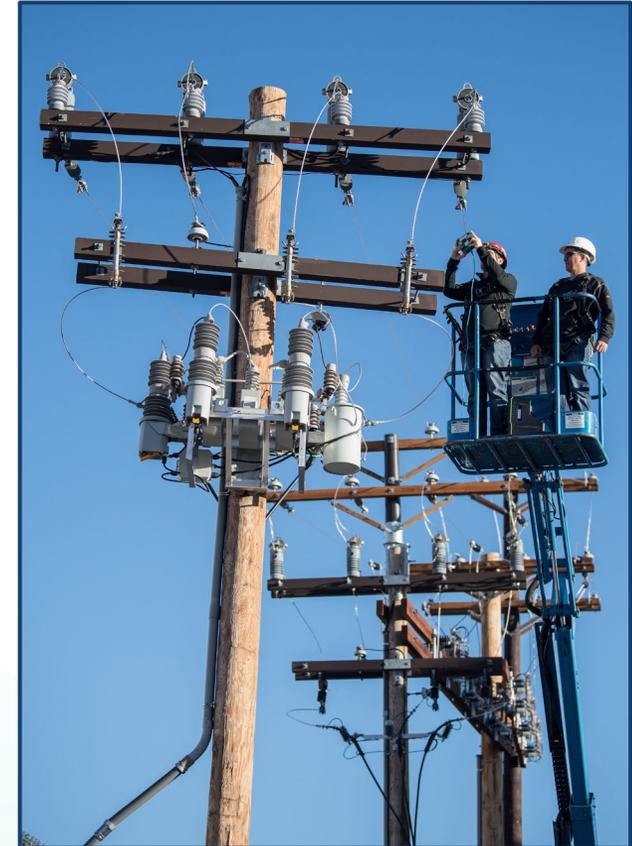
Create Quality Jobs

Competitive Grant Program!



Eligible Entities

- a) Electric grid operators
- b) Electric storage operators
- c) Electricity generators
- d) Transmission owners or operators
- e) Distribution providers
- f) Fuel suppliers
- g) Other *(must receive prior approval from CEC & DOE before submitting an application)*





Eligibility Request Form

- Any entity that falls under “**g) any other relevant entity**” may request approval through the Energy Commission by completing the [Eligibility Request Form](#) and emailing it to the CEC at cerri@energy.ca.gov.
- Along with the Eligibility Request Form, entities seeking approval must submit documentation of actual electricity sales from the last 1-2 years that, at minimum, details the MWh sales.
- The request must be approved by both the CEC and the U.S. Secretary of Energy prior to the solicitation deadline in order to qualify for funding.
- The CEC and the U.S. Department of Energy (DOE) cannot provide a definite timeframe as to when an entity will be approved or denied eligibility, but the estimated time frame is 30-65 days.
 - As such, the CEC recommends applying for eligibility as soon as possible if the entity you represent does not clearly fit in one of the eligible entities.



Eligible Activities

- weatherization technologies and equipment (for grid hardening purposes)
- fire-resistant technologies and fire prevention systems
- monitoring and control technologies
- the undergrounding of electrical equipment
- utility pole management
- the relocation of power lines or the reconductoring of power lines with low-sag, advanced conductors
- vegetation and fuel-load management
- adaptive protection technologies
- advanced modeling technologies
- hardening of power lines, facilities, substations, of other systems
- the replacement of old overhead conductors and underground cables
- the use or construction of distributed energy resources for enhancing system adaptive capacity during disruptive events, including:
 - Microgrid subcomponents
 - battery-storage
- Workforce development and community engagement activities that are directly related to the eligible activities listed above

1. *The U.S. Department of Energy’s Grid Deployment Office (GDO) has defined system adaptive capacity for purposes of this program as “the ability of the electrical grid to continue to supply electricity where needed during disruptive events.”*



Ineligible Activities

- **Ineligible activities include, but are not limited to the following:**
 - Construction of a new electric generating facility, including the purchase or installation of an emergency generator
 - Solar photovoltaic (PV) generation and all other new energy generation
 - Residential and/or commercial building electrification and weatherization
 - Electric Vehicle (EV) chargers
 - Light-Emitting Diode (LED) lighting or solar carport lighting
 - Manufacturing
 - Construction of new transmission lines
 - Cybersecurity, and
 - Acquisition of land or easements
- Ineligible activities may be included in the overall project; however, they cannot be funded through CERRI funding or counted as match funding.
- Ineligible activities within a broader project will be subject to DOE's Terms and Conditions, including compliance with Build America, Buy America (BABA), the Davis-Bacon Act, and the necessary reviews, such as National Environmental Policy Act (NEPA).



Project Location

- Projects must be located within California or within California Tribal Nations





Applicant Groups

IIJA requires a representative percentage of funds be set aside for entities that sell 4,000 GWh/year or less, which is ~20% in CA.

Group 1 = Entities that sell more than 4,000 GWh/year

Group 2 = Entities that sell 4,000 GWh or less/year



CBO and/or Tribal Partnership



- CERRI Program applicants must partner with a Community-Based Organization (CBO) and/or tribe to be eligible for funding.
- The CBO or tribal partner must be clearly identified and compensated in the project's budget.
- The CBO or tribal partner must also submit a commitment letter committing to work with the eligible entity for the duration of the project.



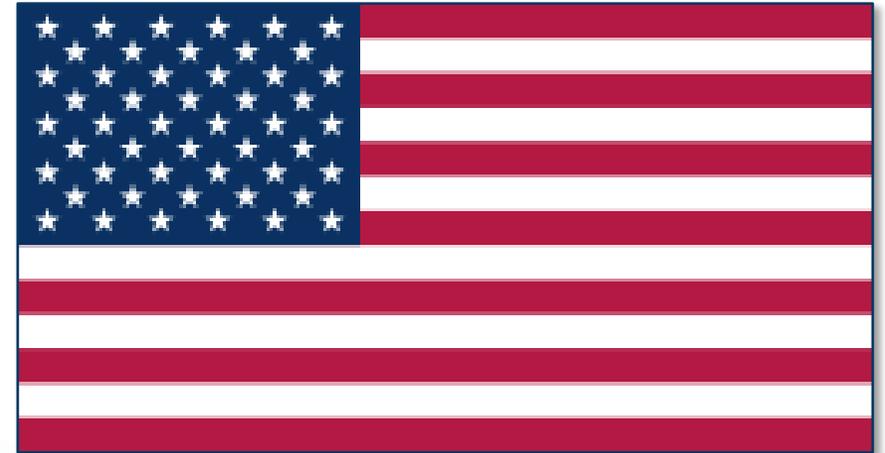
Project Deliverable Requirements

Deliverable	Submission
<u>Community Engagement, Benefits, and Impacts Plan</u>	1-3 months after project kickoff
<u>Workforce Development Plan</u>	1-3 months after project kickoff
Final Report	5 months prior to end of agreement
Community Engagement, Benefits, and Impacts Report	5 months prior to end of agreement
Workforce Development Report	5 months prior to end of agreement
<u>Quarterly Progress Reports</u>	Quarterly
<u>Annual Project Metrics and Impacts Report</u>	Annually



Build America Buy America (BABA)

- CERRI funds may be used for infrastructure **IF** all iron, steel, manufactured products, and construction materials are produced in the United States.
- Applicant may submit a waiver under the following circumstances:
 1. Buying domestically would be inconsistent with the public interest.
 2. The necessary materials are not produced in the United States in sufficient quantities or of a satisfactory quality.
 3. Materials produced in the United States will increase the cost of the overall project by more than 25%.
- Applicants are encouraged to submit all waivers with their application package. The CEC cannot guarantee approval of a waiver.



For more information about BABA compliance, visit the DOE website at:
<https://www.energy.gov/management/build-america-buy-America>



Prevailing Wage/Davis-Bacon Act



- All laborers and mechanics employed by the recipient, subrecipients, contractors, or subcontractors in the performance of construction, alteration, or repair work worth more than \$1,000 on a CERRI project must be paid the same wage & fringe benefits as other projects in the location.
- Davis-Bacon Act wage requirements must be incorporated into all subcontracts.
- Recipients must notify Commission Agreement Manager (CAM) of any labor issues.

For more information about DBA provisions and clauses, visit the Department of Labor website at:
<https://www.dol.gov/agencies/whd/government-contracts/construction>, and
<https://www.dol.gov/agencies/whd/government-contracts/protections-for-workers-in-construction>.



Round 2 Funding



Round 2 Grant Funding Opportunity



- The CERRI Program expects to release its second round of funding (Round 2 Solicitation) in **February 2025**.
- The application period will be open for a minimum of 90 calendar days.



Project Funding & Match Requirements

Project Group	Available Funding ¹	Project Minimum	Project Maximum	Match Requirement	Anticipated # of Awards
Group 1: Large Entities (sells ≥4,000 GWh)	\$41,493,611	\$13,831,203	\$20,746,805	115% ²	2-3
Group 2: Small Entities (sells <4,000 GWh)	\$10,373,402	\$5,186,701	\$10,373,402	33.33%	1-2

1. Reflects years 1-3 of funding with program admin. costs (5%) deducted.
2. Year 3 State Match Requirement (15%) passed onto large entities.



Application Requirements



- Submission of all 10 required attachments
 - All relevant CEQA & NEPA documentation
- BABA waivers (if applicable)
- Foreign worker documentation (if applicable)
- Vendor quotes for work totaling more than \$250k
- Equipment quotes for values exceeding \$50k
- Separate set of budget forms for Subcontractors requesting more than \$100k of CERRI funds or more than 25% of total CERRI Program requested funds



Application Limitations



- Eligible entities can submit **one** application per solicitation Round.
- An application may include **up to three** geographically distinct subprojects.
 - For example, if a utility that serves multiple cities and counties submits an application proposing (1) weatherization in one city, (2) reconductoring in a county 100 miles away, and (3) fire prevention systems in another area many miles away, those would be considered geographically distinct subprojects.
- Eligible entities are **not** allowed to submit same application for grants under IJA section 40101(c) and section 40101(d) in the same application cycle.
 - The same application cannot be under active consideration for both programs at the same time.



Application Technical Assistance

‘Soft’ Technical Assistance (TA): Review of proposed project activities, application submission completeness and quality, and opportunities to ask questions on a first-come, first-served basis.

Support Provided:

- Review application for completeness and compliance with project requirements.
- Review eligibility of proposed project activities.
- Provide clarification on whether proposed project costs can be funded by CERRI or match funds.
- Assisting applicants in identifying the necessary federal forms, waivers, and documents to submit for DOE review.

Fair and Equitable Process:

- TA staff will not communicate with the CERRI Program scoring team about submitted applications (except via the formal Q&A process).
- TA Staff will not participate in application review, scoring, selection, or evaluation for approval or denial of applications.
- TA questions and responses will be included in FAQ section in the Q&A documents on the grant funding webpage.

How to Request Assistance:

- Contact CERRI@energy.ca.gov during application period.
- Include the name of a primary contact and a brief description of the assistance required.



Evaluation & Award Process





Application Screening

Admin Screening Process

- Energy Commission staff screens applications per screening criteria.
- Criteria are evaluated on a pass/fail basis.
- Applicants must pass all screening criteria, or the application will be disqualified.

Some Reasons for Disqualification

- Application is not submitted by the specified due date and time.
- Application contains confidential material.
- Attachments are missing or incomplete.

[Read the entire solicitation manual—carefully!](#)



Scoring Criteria



- Project Merit, Need, & Goals (35 Points)
- Project Management (20 Points)
- Community Engagement & Benefits (20 Points)
- Workforce Development (20 Points)
- Advance Energy & Climate Goals (10 Points)
- Budget (20 Points)
- Commitment Letters (5 points)

Preference Points:

- Exceeding Minimum Match Funding (5 points)
- Priority Communities (15 Points)



Shovel-Readiness



- Shovel-ready projects will be scored favorably.
- This includes but is not limited to projects that:
 - Have initiated the permitting and environmental review process (including California Environmental Quality Act (CEQA) review).
 - Leverage stranded assets or existing infrastructure.
 - Include all required vendor (>\$250k) and equipment (>\$50k) quotes.
 - Include any needed BABA or Foreign Work waivers.



Preference Points: Exceeding Match Funding (≤ 5 Points)

- Additional points will be awarded to applications that exceed the minimum match requirements based on the percentage amount above minimum using the Exceeds Minimum Match Scoring table.

Percentage above Minimum Match (cash and in-kind)	Score
>80%	5
60 to <80%	4
40 to <60%	3
20 to 40%	2
10 to <20%	1
0 to <10%	0



Preference Points: Priority Communities (≤ 15 Points)

Priority Community	Points Awarded
Disadvantaged Communities Tribal Lands	10
Disadvantaged Communities CES4 (Cal Enviroscreen 4.0)	5
Low Income Communities	5

- Includes communities where the project is located and communities who will benefit from the project.
- Points are additive for communities that fit two categories.
- Points will be averaged for projects that impact more than one community or census tract.



For more information on Priority Communities visit:

https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=5dc1218631fa46bc8d340b8e82548a6a&page=Priority-Populations-4_0



Next Steps





Grant Award Process

Applications scored based on solicitation scoring criteria.

CEC issues a **Notice of Letter of Intent (NOLOI)** to fund.

Proposed awardees are recommended to DOE for final approval.

DOE approval process may take 6 weeks to 9 months.

CEC & DOE issue **Notice of Proposed Award (NOPA)**.



Next Steps After NOLOI

- **DOE Submission:** CEC works with Proposed Awardees to finalize submission packages for DOE approval process.
- **Agreement Development:** After DOE approval is granted, the CEC will post a Notice of Proposed Award (NOPA), and proposal documents will be processed into a legal agreement.
- **Failure to Execute:** The CEC reserves the right to cancel the pending award if an agreement cannot be successfully executed with an applicant.
- **Review Terms & Conditions:** T&Cs posted on the CERRI webpage are non-negotiable and must be signed by the Recipient.
- **Project Start:** Recipients will **only** be reimbursed after the agreement is fully executed (approved by DOE, completed CEQA review, approved at a CEC Business Meeting, and signed by the Recipient and the CEC).



Tentative Schedule

Activity	Date
Anticipated Round 2 Solicitation Release	February 2025
Anticipated Pre-Application Workshop	February 2025
Anticipated Deadline to Submit Applications	May 2025
Anticipated Notice of Letter of Intent to Fund Posting	July 2025
Anticipated CEC Recommends Awards to DOE for Approval	August 2025
Anticipated Notice of Proposed Award Posting	Q1, 2026
Anticipated Energy Commission Business Meeting	Q2, 2026
Anticipated Agreement Start Date	Q3, 2026
Anticipated Agreement End Date	Q2, 2032



Stay Up to Date!

- Visit the CERRI Program webpage at: <https://www.energy.ca.gov/programs-and-topics/programs/community-energy-reliability-and-resilience-investment-cerri-program>
- Please subscribe to the “Community Energy Reliability and Resilience Investment (CERRI) Program” subscription list to keep up to date!
- Important updates are distributed via email and posted to the CERRI Program docket (22-ERDD-01).

Community Energy Reliability and Resilience Investment (CERRI) Program

Community Energy Reliability and Resilience Investment (CERRI) program will fund projects across California that increase community energy resilience and reliability, advance state energy and climate goals, improve energy justice and equity, and create good-paying jobs.

CONTACT
Community Energy Reliability and Resilience Investment (CERRI) Program
CERRI@Energy.ca.gov

3/20/24, 4:19 PM California Natural Resources Agency

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Research and Development Topics

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- California Tribal Energy Resiliency Alliance (C-TERA)
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- Energy Research and Development
- Food Production Investment Program
- Industrial Decarbonization and Improvement of Grid Operations (INDIGO)
- Long Duration Energy Storage (LDES)
- PIER Pgm. - Residential and Commercial Bldgs. Program Area

By checking this box, you consent to our [data privacy policy](#).



Question & Answers



Questions and Answers

- **Use the raise hand feature in Zoom:**
 - Zoom phone controls:
 - *6 – Toggle mute/unmute
 - *9 – Raise hand
 - Introduce yourself by stating your name and affiliation
 - Keep questions under 3 minutes to allow time for others
- **Type questions in the Q&A Box in Zoom:**
 - Please provide name and affiliation.





Additional Questions

Please send all CERRI Program-related questions to:

CERRI@energy.ca.gov



Thank You!



Back Up Slides





DOE Microgrid Overview Guide

Eligible Uses of 40101(d) Grid Resilience Formula Grants for Microgrid Components

Section 40101(d)'s prohibition on the construction of a new electric generating facility limits the eligible uses of 40101(d) grid resilience formula grants for microgrid development. Nonetheless, costs associated with building a microgrid that do not involve new generation sources may be allowable. For example, 40101(d) grid resilience formula grants could be used to purchase and/or fund installation of:

- Batteries that will be used to supply electricity during disruptive events,³
- Equipment or management systems required to integrate existing generation sources and/or a battery into a microgrid, such as an inverter,
- Microgrid controller (includes the equipment required to balance the system and connect/disconnect from the main electric grid),
- Electric cables (to connect multiple buildings within the microgrid),
- Distribution equipment (protective devices, transformers, etc.) required to distribute power throughout the microgrid.

Grant recipients are encouraged to speak with their assigned Federal Project Officer about eligible uses of 40101(d) grid resilience formula grant funding.

More information can be found here:

[Microgrid Overview](#)



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<https://www.empowerinnovation.net/en/custom/funding/view/42624>