

DOCKETED

Docket Number:	15-WATER-01
Project Title:	Water Energy Technology (WET) Program
TN #:	205794
Document Title:	Staff Draft 2015 WET Phase 2 Grant Application Manual
Description:	Staff Draft 2015 WET Grant Application Manual for Phase 2 (Commercial, Industrial, Residential Sectors)
Filer:	Pamela Doughman
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	8/21/2015 4:55:45 PM
Docketed Date:	8/21/2015

Staff Draft for Public Discussion

Staff Draft

**WATER ENERGY TECHNOLOGY PROGRAM
GRANT APPLICATION**

**Advancing Energy and Water Reducing Technologies for
Commercial, Industrial, and Residential Sectors**



WET-15-XXX

<http://www.energy.ca.gov/contracts/index.html>

State of California

California Energy Commission

August 2015

Staff Draft for Public Discussion

TABLE OF CONTENTS

- I. INTRODUCTION 1**
 - A. PURPOSE OF THIS DOCUMENT1
 - B. KEY WORDS/TERMS2
 - C. APPLICANTS’ ADMONISHMENT3
 - D. BACKGROUND3
 - F. KEY ACTIVITIES SCHEDULE7
 - G. PRE-APPLICATION WORKSHOP8
 - H. QUESTIONS9

- II. ELIGIBILITY REQUIREMENTS 10**
 - A. APPLICANT REQUIREMENTS10
 - B. PROJECT REQUIREMENTS10
 - C. ELIGIBLE AND INELIGIBLE PROJECT COSTS12
 - D. DISADVANTAGED COMMUNITIES13

- III. APPLICATION ORGANIZATION AND SUBMISSION INSTRUCTIONS 15**
 - A. APPLICATION FORMAT AND NUMBER OF COPIES15
 - B. APPLICATION DELIVERY15
 - C. APPLICATION ORGANIZATION AND CONTENT16

- IV. EVALUATION AND AWARD PROCESS 21**
 - A. APPLICATION EVALUATION21
 - B. NOTICE OF PROPOSED AWARD, AND AGREEMENT DEVELOPMENT21
 - C. GROUNDS TO REJECT AN APPLICATION OR CANCEL AN AWARD23
 - D. MISCELLANEOUS23
 - E. STAGE ONE: GRANT APPLICATION SCREENING25
 - F. STAGE TWO: GRANT APPLICATION SCORING26

Staff Draft for Public Discussion

ATTACHMENTS

Attachment Number	Title
1	Application Form <i>(requires signature)</i>
2	Project Narrative Form
3	Equipment Specifications Form
4	Proof of Market Potential Form
6	Scope of Work Template
6a	Scope of Work Template: Project Schedule <i>(Excel spreadsheet)</i>
7	Budget Forms <i>(Excel spreadsheet)</i>
8	Greenhouse Gas Reduction and Co-Benefits Quantification Methodology
9	Reference
10	Contact List Template
11	Commitment and Support Letter Form <i>(requires signature)</i>

I. Introduction

A. PURPOSE OF THIS DOCUMENT

In response to the California's drought, Governor Brown's Executive Order B-29-15 outlines bold steps to save water, increase enforcement of water use standards, streamline the State's drought response, and invest in new technologies to make California more drought-resilient. In an effort to accelerate innovative water and energy technologies, the California Energy Commission, jointly with the Department of Water Resources and the State Water Resources Control Board, will implement the Water Energy Technology (WET) Program under Executive Order B-29-15 to provide funding for emerging technologies.

Funding for the WET Program is from the California Climate Investments Program. The California Climate Investment Program requires that all funded projects reduce Greenhouse Gas (GHG) emissions and further the purposes of Assembly Bill 32 (Chapter 488, Statutes of 2006). It also requires that investments deliver and maximize benefits to Disadvantaged Communities.

The WET Program accelerates the deployment of Emerging Technologies that result in long lasting GHG emission reductions and direct Water Savings and Energy Savings. The WET Program will be implemented in three phases:

- Phase 1: Agriculture
- Phase 2: Industry, businesses, and residences
- Phase 3: Desalination

This document describes the Application process for Grants under Phase 2 of the WET Program. Projects eligible for Grants must be Emerging Technologies that are commercially available, but not widely deployed in California, and display significant Water Savings and Energy Savings. The resulting energy savings will lead to reduce GHG emission reductions. Funded projects must be past the "proof of concept stage" and be ready for commercial-scale installation. Eligible technologies must have completed at least six months of Independent Verifiable Performance Data to justify that the technology has potential for significant GHG emission reductions as a result of Energy Savings, and Water Savings from the project. The WET Program funding cannot duplicate funding for technologies already provided by the California Department of Food Agriculture or the Department of Water Resources (see Section E).

This document will provide potential Grant Applicants with information on:

- Funding availability
- Program schedule
- Applicant and project eligibility requirements
- Evaluation and award process
- Quantification of GHG emission reductions and reporting

STAFF DRAFT FOR PUBLIC DISCUSSION

B. KEY WORDS/TERMS

Word/Term	Definition
ARB	California Air Resources Board - The State agency responsible for administering the Cap-and-Trade auction proceeds from the GHG Reduction Fund.
Applicant	The respondent to this Application. An Applicant is defined by a federal tax identification number and is considered the primary point of contact.
Application	An Applicant's formal written response to this solicitation.
California Climate Investments Program	Program funded by the State proceeds from Cap-and-Trade auctions. These funds provide an opportunity for the State to invest in projects that help the State achieve its climate goals and provide benefits to Disadvantaged Communities.
CAM	Commission Agreement Manager: the person designated by the Energy Commission to oversee the Grant-funded project and is the main point of contact for the Recipient.
Commercial Project	A project for businesses that provide goods or services directly or indirectly to end use customers.
Commercial Technology	Technologies that have reached commercial maturity or been deployed at scales sufficiently large in conditions reflective of actual operating environments that enable appraisal of operational and performance characteristics and financial risks.
Commission Agreement Officer (CAO)	Commission Agreement Officer: the person advising the CAM through standard procedures of an agreement and continuously guides them throughout the agreement.
Disadvantaged Communities	These are communities defined as areas representing census tracts scoring in the top 25 percent in CalEnviroScreen 2.0. (http://oehha.ca.gov/ej/ces2.html)
Emerging Technologies	Technologies that have significant GHG emission reduction and Water Saving and Energy Saving potential, but have not yet achieved enough market share to achieve economies of scale.
Emission Factors	These are conversion factors used to convert energy savings into equivalent GHG reductions, typically identified as metric tons of carbon dioxide equivalent. Refer to Attachment 8 for conversion factors to use in this application when quantifying Emission Factors.
Energy Commission	State Energy Resources Conservation and Development Commission; also known as the California Energy Commission.
Energy Efficient Technologies	Technologies that either uses less energy to provide the same service at a project site, or provide more services with the same amount of energy input.
Energy Savings	A project that produces on-site energy savings to the Recipient, in the form of electricity, natural gas or fossil fuels.
Grant	Competitive Grant funding for projects that are highly customized encompassing one or more Emerging Technologies and where savings and benefits are justified by the Applicant.
Greenhouse Gas (GHG)	Gases that trap heat in the atmosphere, contributing to climate change. GHG results from the combustion of fossil fuels.
Greenhouse Gas Reduction Fund	This fund supports the funding awards made under the Water Energy Technology Program. See also Section I.D.3.

STAFF DRAFT FOR PUBLIC DISCUSSION

Word/Term	Definition
(GGRF)	
Independent Verifiable Performance Data	Data that is required to: 1) verify the reported Energy Savings and Water Savings and GHG emission reductions of the technologies submitted for Grant funding, and 2) verify the actual Energy and Water Savings and GHG emission reductions of the technologies receiving WET Grant Program funding (also refer to Section III.C.2.). The data must be from an independent third party and show GHG emission reductions and direct Energy Savings and Water Savings resulting from the technology.
Industrial Project	A project located at a facility that manufactures a product.
Installation Site	Property/location/physical land site of the project, where the WET Program-funded equipment will be installed.
Recipient	The awardee of a WET Program Grant.
Residential Project	A project consisting of multiple single or multi-family residential sites.
State	State of California
Water Savings	On-site reduction in water use or the use of recycled water that reduces ground water usage.

C. APPLICANTS' ADMONISHMENT

This document contains Application requirements and instructions. Applicants are responsible for **carefully reading** this document, asking appropriate questions in a timely manner, ensuring that all Application requirements are met, submitting all required responses in a complete manner by the required date and time, and **carefully rereading** the Application before submitting. In particular, Applicants are expected to read the terms and conditions located at: <http://www.energy.ca.gov/research/contractors.html>.

Applicants are responsible for the cost of developing Applications. This cost cannot be charged to the State.

[Information on confidentiality underdevelopment]

D. BACKGROUND

This Application addresses the energy goals described in the following laws, policies, and background documents:

1. Assembly Bill 32, The Global Warming Solutions Act of 2006

AB 32 created a comprehensive program mandating a reduction in California GHG emissions to 1990 levels by 2020. GHG emission reduction strategies also include a Cap-and-Trade Program requiring the California Air Resources Board (ARB) to develop a Scoping Plan that describes how to reduce GHG emissions in California. ARB must update the plan every five years.

Additional information: <http://www.arb.ca.gov/cc/ab32/ab32.htm>

Applicable Law: California Health and Safety Code §§ 38500 et. seq

2. Water Energy Technology Program

Executive Order B-29-15 created the Water Energy Technology (WET) Program to deploy innovative water management technologies for businesses, residents, industries, and agriculture.

Additional information: <http://www.energy.ca.gov/drought/>

3. California Climate Investments Program

The WET Program is funded by the Greenhouse Gas Reduction Fund (GGRF). All GGRF funded programs must further the purposes of AB 32 (2006) as the primary program goal and each project must provide real and quantifiable emission reductions. The WET Program will accelerate the use of cutting-edge water energy technologies and support achieving the State's long-term GHG emissions reduction goals, while maximizing other co-benefits like Water Savings. The Energy Commission, in alignment with GGRF principles, will prioritize investing the GGRF funds in WET projects types that achieve the highest GHG reductions, maximize co-benefits, and are necessary to meet the State's climate goals.

Additional information:

- Cap-and-Trade Auction Proceeds, Funding Guidelines for Agencies that Administer California Climate Investments Draft for Public Comment Release Date June 16, 2015;
<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auction-proceeds-funding-guidelines-06-16-2015-public-draft.pdf>
- Cap-and-Trade Auction Proceeds, Supplement to the Draft Funding guidelines for Agencies that Administer California Climate Investments (Greenhouse Gas Reduction Fund) For Public Discussion, dated July 13, 2015;
<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/draft-funding-guidelines-supplement-july-13.pdf>
- Cap-and-Trade Auction Proceeds, Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies: Expenditure Record and Fiscal Procedures, dated August 6, 2014;
<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/arb-interim-guidance-expenditure-record-fiscal-procedures-8-6-14.pdf>.
- Investments to Benefit Disadvantaged Communities, Cap-and-Trade Auction Proceeds, Interim Guidance to Agencies Administering Greenhouse Gas Reduction Fund Monies. Board Approval: September 18, 2014; Release Date November 3, 2014;
<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/final535-interim-guidance-11-3-2014.pdf>.

E. Funding

1. Amount Available

a. Industrial Projects

There is up to **\$7 million** of WET Program funding available for Industrial Project Grants for the following groups:

- i. Group A: \$6 million is available for all projects that meet the eligibility requirements in Section II.
- ii. Group B: \$1 million is available for projects that meet the eligibility requirements in Section II and benefit Disadvantaged Communities.

b. Commercial Projects

STAFF DRAFT FOR PUBLIC DISCUSSION

There is up to **\$7 million** of WET Program funding available for Commercial Project Grants for the following groups:

- i. Group A: \$6 million is available for all projects that meet the eligibility requirements in Section II.
- ii. Group B: \$1 million is available for projects that meet the eligibility requirements in Section II and benefit Disadvantaged Communities.

c. Residential Projects

There is up to **\$2 million** of WET Program funding available for Residential Project Grants for the following groups:

- i. Group A: \$1 million is available for all projects that meet the eligibility requirements in Section II.
- ii. Group B: \$1 million is available for projects that meet the eligibility requirements in Section II and benefit Disadvantaged Communities.

All project expenditures must be made within the approved term of the Grant agreement.

2. Maximum and Minimum Funding Amounts and Restrictions

An Applicant is defined by its federal tax identification number. Applicants must apply for either Group A or Group B Grants with a **Minimum of \$500,000** total eligible costs. Groups A and B funds cannot be combined. Property owners cannot participate in multiple options listed in each group (such as participating in option 1 and 2 for different parcels, or participating in a variety of partnerships under Option 2). Only one Grant per tax identification number or Business/Commercial/Industrial/Residential Operation held by the same property owner will be awarded. The requirements for each group as it pertains to the projects listed in Table 1, Section II are:

- Group A Grants

- Option 1:

Single Applicant -- Applicant owns all of the Installation Sites:

Applicant can apply for one Grant for up to 50 percent of the eligible project cost with a maximum Grant of \$1,000,000 for projects installed on the Applicant's property. For example, an Applicant can request up to \$1,000,000 in a Grant for a project that costs \$2.0 million or more. The Application can include one property or multiple Installation Sites owned by the Applicant.

- Option 2:

Combined Applicant -- Applicant does not own all of the Installation Sites.

- The Application can include Installation Sites where the Applicant owns one or more Installation Sites, and other parties own one or more of the other Installation Sites.
- The Application can also include a situation where the Applicant does not own any of the Installation Sites.

The Applicant can apply for a Grant for up to 50 percent of the eligible project cost, up to a maximum Grant of \$1,000,000 for projects installed in multiple Installation Sites owned by different parties. In this case, the Applicant is serving

STAFF DRAFT FOR PUBLIC DISCUSSION

in the capacity of an aggregator or lead Recipient, and will be responsible for all of the Installation Sites. The Applicant must agree to be responsible for ensuring that all the requirements of the Grant are met for all Installation Sites as described in this manual, statement of work, and the Grant agreement and terms and conditions.

- Group B Grants - Projects located in Disadvantaged Communities and Benefiting a Disadvantaged Community.
 - Option 3:

Single Applicant -- Applicant owns all of the Installation Sites:
Applicant can apply for one Grant for up to 75 percent of the eligible project cost with a maximum Grant of \$1 million for projects installed on the Applicant's property. For example, an Applicant can request up to \$1 million in a Grant for a project that costs \$1.3 million or more. The Application can include one property or multiple Installation Sites owned by the Applicant.
 - Option 4:

Combined Applicant -- Applicant does not own all of the Installation Sites.

 - The Application can include Installation Sites where the Applicant owns one or more Installation Sites, and other parties own one or more Installation Sites.
 - The Application can also include a situation where the Applicant does not own any of the Installation Sites.
 - The Applicant can apply for a Grant for up to 75 percent of the eligible project cost, up to a maximum Grant of \$1 million for projects installed in multiple property locations owned by different parties. In this case, the Applicant is serving in the capacity of an aggregator or lead Recipient, and will be responsible for all of the Installation Sites. The Applicant must agree to be responsible for ensuring that all the requirements of the Grant are met for all Installation Sites as described in this manual, statement of work, and the Grant agreement and terms and conditions.

3. Project Restrictions Applicable to Both Groups A and B

- An Applicant cannot receive multiple WET Grants for the same project. If this occurs, it will result in disqualification.
- Technologies previously funded by other State agencies with GGRF¹ will not be considered for funding. The Applicant must prove the technology is an innovative Emerging Technology and a Commercial Technology (commercially available) in the Project Narrative (Attachment 2).
- Separate Applicants **cannot** apply for WET Grants for the same project or even different aspects of the same project. For example, if an Applicant requests a WET Grant for 50 percent of a Group A project, another Applicant cannot request a WET Grant for any other part of the project.

¹ Greenhouse Gas Reduction fund projects:

<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm>

STAFF DRAFT FOR PUBLIC DISCUSSION

- An Applicant cannot combine funding from the WET Program with funding from the California Department of Food and Agriculture's State Water Efficiency and Enhancement Program (SWEEP), the California Department of Water Resources' Water Energy Efficiency Program, or any other program that has received funding from the GGRF. Additionally, an Applicant **cannot** combine WET Program funding with other Energy Commission funding associated with research and development (e.g., Electric Program Investment Charge or Natural Gas research and development) or the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP)).
- An Applicant can combine WET Program Grant funds, with grants, incentives and/or rebates offered by utilities and others, if: (1) the funding source from these entities does not come from GGRF or the other Energy Commission programs referenced in the previous bullet; and (2) the total of all grants, incentives and/or rebates, including the WET Program Grant, does not exceed 100 percent of the total project cost.

4. Change in Funding Amount

The Energy Commission reserves the right to:

- Increase or decrease the amount of funding allocated for Grants, the maximum award amounts and percentage of overall project cost described in this section, and the amounts allocated between Groups A and B.
- Reduce funding to an amount deemed appropriate if the budgeted funds do not provide full funding for agreements. In this event, the Recipient and CAM will reach agreement on a reduced Scope of Work commensurate with available funding.

F. KEY ACTIVITIES SCHEDULE

Key activities, dates and times are presented below. An addendum will be released if the dates change for activities that appear in bold.

ACTIVITY	DATE	TIME
Application Release	Fall 2015	
Pre-Application Workshop(s) or Webinars	Fall 2015	TBD
Deadline for Written Questions (see also Section H)	Fall 2015	5:00 pm
Anticipated Distribution of Questions and Answers	Fall 2015	
Deadline to Submit Grant Applications	Winter 2015	
Anticipated Notice of Proposed Award Posting Date	Early 2016	
Anticipated Energy Commission Business Meeting Date	Spring 2016	
Anticipated Agreement Start Date	Summer 2016	
Anticipated Agreement End Date	April 2021	

G. PRE-APPLICATION WORKSHOP

Energy Commission staff will hold one Pre-Application Workshop to discuss the Solicitation with applicants. Participation is optional but encouraged. Applicants may attend the workshop in-person, via the internet (WebEx, see instructions below), or via conference call on the date and at the time and location listed below. Please call (916) 654-4381 or refer to the Energy Commission's website at www.energy.ca.gov/contracts/index.html to confirm the date and time.

Date and time: Fall 2015
Location: Northern California

Date and time: Fall 2015
Location: San Joaquin Valley

Date and time: Fall 2015
Location: Southern California

WebEx Instructions:

- To join the WebEx meeting, go to <https://energy.webex.com> and enter the meeting number and password below:
Meeting Number: xxx xxx xxx
Meeting Password: [xxxxxxx](#)
Topic: 2015 WET Commercial, Industrial, and Residential Grant Program
- **To Logon with a Direct Phone Number:** After logging into WebEx, a prompt will appear on-screen for a phone number. In the "Number" box, enter your area code and phone number and click "OK" to receive a call for the audio of the meeting. International callers may use the "Country/Region" button to help make their connection.
- **To Logon with an Extension Phone Number:** After you login, a prompt will ask for your phone number. Select "CANCEL." Call **1-866-469-3239** (toll-free in the U.S. and Canada). When prompted, enter the meeting number above and the unique Attendee ID number listed in the top left area of the screen after login. International callers may dial in using the "Show all global call-in numbers" link (also in the top left area).

Telephone Access Only:

Call **1-866-469-3239** (toll-free in the U.S. and Canada). When prompted, enter the meeting number above. International callers may select their number from <https://energy.webex.com/energy/globalcallin.php>.

Technical Support:

- For assistance with problems or questions about joining or attending the meeting, please call WebEx Technical Support at **1-866-229-3239**. You may also contact _____.
- **System Requirements:** To determine whether your computer is compatible, visit:

STAFF DRAFT FOR PUBLIC DISCUSSION

- <http://support.webex.com/support/system-requirements.html>.
Meeting Preparation: The playback of Universal Communications Format rich media files require appropriate players. Please determine whether the players are installed on your computer by visiting:
<https://energy.webex.com/energy/systemdiagnosis.php>.

H. QUESTIONS

During the application process, direct questions to the Commission Agreement Officer listed below:

TBD, Commission Agreement Officer
California Energy Commission
1516 Ninth Street, MS-18
Sacramento, California 95814
Telephone: (916) 654-XXXX
FAX: (916) 654-4423
E-mail: xxx@energy.ca.gov

Applicants may ask questions at the Pre-Application Workshops, and may submit written questions via mail, email, and FAX. However, all **technical** questions must be received by the deadline listed in the “Key Activities Schedule” above. Non-technical questions (e.g., questions concerning application format requirements or attachment instructions) may be submitted to the Commission Agreement Officer (CAO) at any time prior to the application deadline.

A question and answer document will be e-mailed to all parties who attend the Pre-Application Workshop and provide their contact information on the sign-in sheet. The questions and answers will also be posted on the Commission’s website at: <http://www.energy.ca.gov/contracts/index.html>.

If an Applicant discovers an **ambiguity, conflict, discrepancy, omission, or other error** in the Solicitation after the deadline for written questions but prior to the application deadline, the Applicant may notify the Energy Commission in writing and request modification or clarification of the solicitation. The Energy Commission will provide modifications or clarifications by written notice to all parties who requested the Solicitation. At its discretion, the Energy Commission may re-open the question/answer period to provide all Applicants the opportunity to seek any further clarification required. If an Applicant submits a question after the deadline for written questions that does not concern a non-technical issue or a Solicitation ambiguity, conflict, discrepancy, omission, or other error, the CAO will refer the Applicant to the Solicitation documents for guidance.

Any verbal communication with an Energy Commission employee concerning this Solicitation is not binding on the State and will in no way alter a specification, term, or condition of the Solicitation. Therefore, all communication should be directed in writing to the assigned CAO.

II. Eligibility Requirements

A. APPLICANT REQUIREMENTS

1. Applicant Eligibility

- Applicants must be a business, commercial, industrial, non-profit, or governmental entity (individual applicants from residents are not eligible).
- Single Applicant -- Applicant may apply for one Installation Site owned by Applicant.
- Single Applicant -- Applicant may apply for multiple Installation Sites owned by Applicant.
- Combined Applicant — Applicant may apply for one or more Installation Sites owned in some combination by Applicant and others. Installation Sites must be a business/commercial, industrial, non-profit, governmental or residential location.
- Combined Applicant -- Applicant may apply for one or more Installation Sites not owned by the Applicant. Installation Sites must be a business/commercial, industrial, non-profit, governmental or residential location.
- The project site(s) must be located in California.
- The project must benefit California with direct Energy and Water Savings and result in GHG emission reductions.

2. Terms and Conditions

Each agreement resulting from an Application will include terms and conditions that set forth the Recipient's rights and responsibilities. By signing the Application Form (Attachment 1), each Applicant agrees to enter into an agreement with the Energy Commission to conduct the proposed project according to the terms and conditions that correspond to its organization, without negotiation: (1) University of California terms and conditions; (2) U.S. Department of Energy terms and conditions; or (3) standard terms and conditions. The terms and conditions for all entities are located at <http://www.energy.ca.gov/research/contractors.html>. Failure to agree to the terms and conditions by taking actions such as failing to sign the Application Form or indicating that acceptance is based on modification of the terms will result in **rejection** of the application. Applicants **must read** the terms and conditions carefully. The Energy Commission reserves the right to modify the terms and conditions prior to executing Grant agreements.

3. California Secretary of State Registration

California business entities and non-California business entities that conduct intrastate business in California and are required to register with the California Secretary of State must do so and be in good standing in order to enter into an agreement with the Energy Commission. If required but not currently registered with the California Secretary of State, Applicants should contact the Secretary of State's Office as soon as possible to do so. For more information, visit the Secretary of State's website at: www.sos.ca.gov.

B. PROJECT REQUIREMENTS

All technologies must meet the following requirements:

STAFF DRAFT FOR PUBLIC DISCUSSION

- Be innovative Emerging Technologies and Commercial Technologies, but not widely deployed.
- Not currently funded by another GGRF-funded program (such as programs from DWR or CDFA).
- Not a research project.
- A proven technology with at least six months of Independent Verifiable Performance Data showing GHG emission reductions and Energy Savings and Water Savings potential.
- Potential for significant GHG emission reductions, Water and Energy Savings. Project categories listed in Table 1 below are eligible for consideration for Grants. This table also identifies the supplemental data needed to justify Water and Energy Savings, project readiness for deployment, and the maximum Grant amount.
- See Section I, Part E “Funding” for additional requirements and restrictions.

DRAFT

Table 1 – Potential Technologies for Grants

Technology	Information Required	Maximum Grant Amount*
Automation and Monitoring with direct control of energy and water use. Energy Savings, Water Savings and GHG emission reductions must be a result of automation and cannot depend on behavioral changes.	<ul style="list-style-type: none"> • At least six months of Independent Verifiable Performance Data showing Energy Savings and Water Savings potential. • Proof that the technology is advanced and ready for large scale deployment • See also information requirements in other sections of this manual and in Attachment 1 	<p><u>Group A</u></p> <p>50 percent of the eligible project cost with a minimum of \$500,000 and up to a maximum of \$1,000,000.</p>
Food and beverage operational-related equipment that results in direct Water and Energy Savings.		<p><u>Group B</u></p> <p>75 percent of the eligible project costs with a minimum of \$500,000 and up to a maximum of \$1 million for projects located in Disadvantaged Communities and meeting the requirements of Section IID.</p>
Advanced cooling tower technology that results in direct on-site Water and Energy Savings.		
On-site water treatment or reuse that results in direct on-site Water and Energy Savings.		

C. ELIGIBLE AND INELIGIBLE PROJECT COSTS

The WET Program Grant can reimburse up to 50 percent of eligible project costs, except for those located in and benefitting Disadvantaged Communities, which can be reimbursed up to 75 percent of eligible project costs.

1. Eligible Project Costs

- **Equipment:** Equipment is defined as having a useful life of at least one year, having an acquisition unit cost of at least \$5,000, and eligible for reimbursement with WET Program funds. Equipment means any products, objects, machinery, apparatus, implements or tools purchased and used to construct the project or constructed within the project.
- **Materials/Supplies:** Any tangible project-related item purchased to construct the project or constructed within the project that does not fit the definition of equipment.
- **Installation Labor:** Independent third party fees for labor to install the equipment/materials incurred after Grant approval by the Energy Commission.

STAFF DRAFT FOR PUBLIC DISCUSSION

- Engineering Design: Engineering design costs incurred after Grant approval by the Energy Commission.
- Cost associated with an independent third party performing a minimum of 3 years of post-installation monitoring and verification to provide Independent Verifiable Performance Data on technology performance to the Energy Commission.

2. Ineligible Project Costs

- Post-project installation service charges and maintenance costs associated with the project.
- Post-Grant term service charges and maintenance costs associated with the project.
- Non-labor costs and fees associated with project management, oversight and legal services before, during, or after Grant agreement term.
- Supplies and equipment costs not directly related to the WET Grant Program project, such as adding lighting retrofits to the facility.
- Costs incurred before receiving the executed Grant agreement from the Energy Commission.
- Cost associated with performing the required six months of pre-installation monitoring and verification to provide data on technology performance to the Energy Commission.
- Cost associated with preparing the Application, securing financing, securing permits and providing insurance for the project.
- Fines, penalties and legal settlements.
- Personal computers, phones and other personal devices.
- Purchases of real property.
- Food, beverage, advertising, public relations and entertainment costs.

D. DISADVANTAGED COMMUNITIES

To qualify for Group B funding, projects must be located **in a Disadvantaged Community and provide direct, meaningful and assured benefits** to one or more Disadvantaged Communities, consistent with the ARB's criteria.² Projects must meet at least one of the following criteria:

² Air Resources Board, Funding Guidelines for Agencies that Administer California Climate Investments, Volume 2: Investments to Benefit Disadvantaged Communities Draft for Public Comment released June 16, 2015, Appendix 2.A-5.

STAFF DRAFT FOR PUBLIC DISCUSSION

- Project provides water and energy use efficiency incentives or other services that reduce energy used by water users (e.g., residential, commercial, agricultural) with a physical address in a Disadvantaged Community.
- Project improves, repairs, or replaces water system infrastructure resulting in water and energy savings in a Disadvantaged Community.

The Energy Commission reserves the right to add or change the above criteria pursuant to ARB criteria and guideline modifications for the California Climates Investments Program.

DRAFT

III. Application Organization and Submission Instructions

A. APPLICATION FORMAT AND NUMBER OF COPIES

The following table summarizes the application formatting requirements:

Format	<ul style="list-style-type: none"> • Pages: Numbered and printed double-sided • Signatures: Manual (i.e., not electronic) • File Format: MS Word version 1997-2003 or version 2007 or later (.doc or .docx format), excluding Excel spreadsheets. PDF files are acceptable for drawings and schematic plans • File Storage: Electronic files of the application must be submitted on a CD-ROM or USB memory stick
Page Limit	<ul style="list-style-type: none"> • Project Narrative Form (Attachment 2) 10 pages (excluding supplemental information)
Number of Copies of the Application	<ul style="list-style-type: none"> • Three hard copies (including one copy with original signatures) • One electronic copy (on a CD-ROM or USB memory stick)

B. APPLICATION DELIVERY

Include the following label information on the mailing envelope:

Applicant's Project Manager Applicant's Name Street Address City, State, and Zip Code	WET-15-XXX Contracts, Grants, and Loans Office, MS-18 California Energy Commission 1516 Ninth Street, 1st Floor Sacramento, California 95814
--	--

Applications must be delivered to the Energy Commission's Contracts, Grants, and Loans Office in a sealed package (in person or via U.S. mail or courier service) during normal business hours, prior to the date and time specified in the "Key Activities Schedule" in Part I of this Solicitation. Applications received after the specified date and time are considered late and will not be accepted. **Postmark dates of mailing, e-mail, and facsimile (FAX) transmissions are not acceptable in whole or in part, under any circumstances.**

C. APPLICATION ORGANIZATION AND CONTENT

1. Submit Application attachments in the order specified below.
2. Label the Application cover “WET Program WET-15-XXX” and include: (a) the title of the application; and (b) the Applicant’s name.

Attachment Number	Title of Section
1	Application Form (signature required)
2	Project Narrative Form
3	Equipment Specification Form
4	Evidence of Market Potential Form
6	Scope of Work Template
6a	Scope of Work Template: Project Schedule
7	Budget Forms
8	Greenhouse Gas Reduction and Co-Benefits Quantification Methodology
9	Reference Form
10	Contact List Template
11	Commitment and Support Letter Form (signature required)

Below is a description of each required section of the application:

1. Application Form (Attachment 1)

This form requests basic information about the Applicant and the project. The Application must include an original form that includes all requested information and is signed by an authorized representative of the Applicant’s organization.

2. Project Narrative Form (Attachment 2)

Attachment 2 will include the majority of the Applicant’s responses to scoring criteria in Section IV and includes all of the following supplemental information:

- Utility Data Collection: [This section is under construction]
 - 12 months of pre-installation energy usage data, showing the monthly energy use, rate schedule, and monthly cost, for the energy use affected by the

STAFF DRAFT FOR PUBLIC DISCUSSION

- technology (before installation), or an alternative method for calculating the baseline energy use
- 12 months of pre-installation water usage, flow meter readings showing the monthly water use (before installation), or provide an alternative method for calculating baseline water use.
 - Post-installation monitoring and verification plan. Plan should detail how the system will be monitored to provide Independent Verifiable Performance Data for post-installation for Water Savings, Energy Savings, and GHG emission reductions. The post-installation monitoring and verification must be conducted by an independent third party for a period of up to three years after project installation.
 - Provide project design plans and schematic showing proposed equipment and property layout, and the equipment to be installed. The equipment should correlate with Attachment 3.
 - Detailed calculations showing the Energy Savings and Water Savings and GHG emission reductions associated with the proposed project including identification of all equipment performance requirements and assumptions used in the calculation. All Water Savings and Energy Savings must directly impact the site or facility where the technology is installed and used. Embedded energy associated with the conveyance, transport and treatment of water from Northern to Southern California or use of any other off-site source of water cannot be included in the calculations. Examples of acceptable Energy Savings and Water Savings that can be included in calculations:
 - Use of recycled water must result in a reduction in pumping energy associated with ground water.
 - Direct energy savings associated with a reduction in on-site pumping and conveyance, waste heat recovery.
 - Use of technology that will result in reductions in water and energy use, such as installation of low or no water, higher efficiency appliances or devices.
 - All Applicants must explain how GHG emission reductions and co-benefits will be quantified, including links to methodology documents or estimation tools. This information should be contained in Attachment 8 and follow ARB quantification methodologies which can be found at <http://www.arb.ca.gov/auctionproceeds>.
 - For Applicants applying for Group B, Disadvantaged Communities, please answer the questions in item 4 of Attachment 2, WET Project Narrative Form, which requests information about the Disadvantaged Community location and census tract and how the project will provide direct benefits to Disadvantaged Communities to meet the requirement stated in Section II.D.³

³ Air Resources Board, Funding Guidelines for Agencies that Administer California Climate Investments, Volume 2: Investments to Benefit Disadvantaged Communities, Appendix 2.A.—include correct citation when available

3. Equipment Specifications Form (Attachment 3)

List the make and model number (if applicable) of all equipment to be used on this project for which Grant funds are requested and include the purpose of this equipment. Equipment is anything that will cost \$5,000 or more. This list should be consistent with the Project Narrative (Attachment 2) and the Budget Form (Attachment 7).

4. Evidence of Market Potential Form (Attachment 4)

Provide justification that this technology is beyond the research, development and demonstration phase by identifying past installations, and Energy Saving and Water Saving results. Include the following: a) six months of Independent Verifiable Performance Data showing the Energy Saving and Water Saving performance of the proposed technology; and b) report(s) by an independent third party verifying project results, potential and cost effectiveness (e.g., project cost versus cost savings).

5. Scope of Work Template (Attachments 6 and 6a)

Applicants must include a Scope of Work for each project, as instructed in the template. The Scope of Work identifies the tasks required to complete the project. It includes a project schedule that lists all products, meetings, and due dates. All work must be scheduled for completion by the anticipated agreement end date specified in the “Key Activities Schedule” in Part I. Here is some guidance for completing the Scope of Work:

- Task 1 is for program related tasks—these tasks are required and must not be modified
- Task 2 is for all the technical related tasks. Sample tasks have been included, and can be modified to meet your project needs. The technical tasks should focus on high level tasks with some discussion of the expected products. If the project involves multiple project locations and owners, the tasks must include all of the technical tasks associated with completing the project at each location.

Electronic files for **Parts I-IV** of the Scope of Work are in **MS Word**. **Part V** (Project Schedule, Attachment 6a) is in **MS Excel**.

6. Project Budget Form (Attachment 7)

The budget forms are in MS Excel format and consist of one worksheet. The budget identifies the main categories of cost that are reimbursable under the Grant. These include: equipment, materials and contractor labor. Here is some guidance for completing the budget form:

- Eligible labor costs include third party labor associated with installation, engineering and design, and costs associated with providing independent monitoring and verification of the Energy Savings and Water Savings associated with the project. The required monitoring and verification is for up to three years after project installation. These costs must include direct labor, fringe benefits, overhead, and general and administrative expenses.
- Refer to Section II for labor items that are not reimbursable under the Grant.
- All project expenditures must be made within the approved agreement term.
- The budget must reflect estimates for **actual** costs to be incurred during the agreement term. The Energy Commission may only approve and reimburse for actual costs that are properly documented in accordance with the Grant terms and conditions. All costs must reflect the equipment and labor costs for the Applicant if selected as a Recipient.
- The proposed costs in Attachment 7 are considered capped and may not change during the agreement term. The Recipient will only be reimbursed for **actual** costs up to the amounts shown in Attachment 7.

Prevailing wage requirement: Accepting a Grant under this program may cause Applicants to have to pay prevailing wages and adhere to the other requirements of a “public work” (see Labor Code §1720 et seq.). Whether an Applicant’s activities constitute a “public work” and trigger its legal requirements will depend upon the specific facts of each situation. But, because State funds pay these Grants, they might be considered “public funds” for purposes of meeting the definition of a “public work.” In addition, the activities Applicants perform entitling them to these Grants are likely to involve construction, alteration, demolition, installation, repair, or maintenance – the activities that create a “public work.” **Accordingly, the Energy Commission strongly urges Applicants to seek professional advice about how participating in this Grant program may require them to comply with “public work” laws, including the payment of prevailing wages.**

The Director of the Department of Industrial Relations determines prevailing wage rates for different geographical areas. For more information about “public works” including the applicable prevailing wage rates for your area, please visit the Department of Industrial Relations website at: <http://www.dir.ca.gov/default.html>

7. Greenhouse Gas Reduction Quantification Methodology (Attachment 8)

ARB is required to develop quantification methods for agencies receiving GGRF appropriations per Senate Bill 862 (Senate budget and Fiscal Review Committee, Chapter 36, statutes of 2014). Quantification methods are posted on ARB's auction proceeds website at <http://www.arb.ca.gov/auctionproceeds>.

All GHG emission reductions must be quantified using a methodology approved by ARB. For co-benefits, Applicants must describe the benefits and how they will be quantified.

8. Reference Form (Attachment 9)

Provide Applicant references as instructed

9. Contact List Template (Attachment 10)

The list identifies the names and contact information of the project manager, administrator, accounting officer, and Recipient of legal notices.

10. Commitment and Support Letter Form (Attachment 11)

A commitment letter commits an entity or individual to providing the service or funding described in the letter.

- Commitment letter(s) are required for each project site that is not owned by the Applicant. The letter commits the owner of the project site to provide the installation site for project installation, site access including installation and inspection access, and any monitoring and verification information and documents which will be required as part of the WET Program Grant, such as utility bills, utility usage data, etc. Applicants must submit a commitment letter signed by an authorized representative of the owner of each proposed project site and include all the requirements in Attachment 11.
- Commitment letter(s) are required from the entity that is committing to providing the balance of the project funding not covered by the Grant. The letter must: (1) identify the source(s) of the funds; and (2) guarantee the availability of the funds for the project.

IV. Evaluation and Award Process

A. APPLICATION EVALUATION

Applications will be evaluated and scored based on responses to the information requested in this document. To evaluate applications, the Energy Commission will organize an Evaluation Committee that consists primarily of Energy Commission staff. The Evaluation Committee may use technical expert reviewers to provide an analysis of applications. Applications will be evaluated as follows:

a. Stage One: Application Screening

The Energy Commission staff will screen applications for compliance with the Screening Criteria in **Section E** of this Part. **Applications that fail any of the screening criteria will be rejected.**

b. Stage Two: Application Scoring

Applications that pass Stage One will be submitted to the Evaluation Committee for review and scoring based on the Scoring Criteria in **Section F** of this Part. Group A applications will be scored separately from Group B.

- Minimum scores for criteria 1 and 2 must be attained as noted in Section F in order for the proposal to be scored.
- Once the minimum scores for criteria 1 and 2 have been attained, then the scores for each Application will be the average of the combined scores of all Evaluation Committee members.
- **A minimum score of 70.00 points** is required for the application to be eligible for funding.
- **Clarification Interviews:** The Evaluation Committee may conduct optional in-person or telephone interviews with Applicants during the evaluation process to clarify and/or verify information submitted in the application. However, these interviews may not be used to change or add to the content of the original application. Applicants will not be reimbursed for time spent answering clarifying questions.

B. NOTICE OF PROPOSED AWARD, AND AGREEMENT DEVELOPMENT

1. Notice of Proposed Award

Grants: Applications that receive a minimum score of 70.00 points for all criteria will be ranked according to their score.

- Applications for Group A and Group B will be scored separately.
- The Energy Commission will post a **Notice of Proposed Award (NOPA)** for Groups A and B that includes: (1) the name of the Applicant; (2) brief description of proposed project, including location; (3) the amount of Grant funding requested; (4) total proposed Grant amount; (5) the rank order of Grant Applicants; (5) the amount of the proposed Grant award and (6) whether the projects are located in and are benefiting Disadvantaged Communities. The Commission will post the NOPA at its headquarters in Sacramento and on its website, and will e-mail it to all parties that

STAFF DRAFT FOR PUBLIC DISCUSSION

submitted an Application. Proposed Grant awards must be approved by the Energy Commission at a Business Meeting. Once approved, the Energy Commission will post an updated list that identifies the status of all project applications, including the amount of the funding award.

- **Debriefings:** Unsuccessful Applicants may request a debriefing after the release of the NOPA by contacting the CAO listed in Part I. A request for debriefing must be received **no later than 30 calendar days** after the NOPA is released.
- The Energy Commission reserves the right to:
 - Increase or decrease the amount of funding allocated for Grants, the maximum award amounts and percentage of overall project cost described in this section, and the amounts allocated between Groups A and B.
 - Reduce funding to an amount deemed appropriate if the budgeted funds do not provide full funding for agreements. In this event, the Recipient and CAM will reach agreement on a reduced Scope of Work commensurate with available funding.

2. Agreements

Applicants recommended for Grant funding will be developed into an agreement to be considered at an Energy Commission Business Meeting, or other approval process delegated by the Energy Commission. Recipients may begin the project only after full execution of the Grant agreement (i.e., approval at a Business Meeting and signature by the Recipient and the Energy Commission).

- **Resolution Requirement (for government agency Recipients):** Prior to approval of the agreement at a Business Meeting, government agency Recipients (e.g., federal, State, and local governments; air/water/school districts; joint power authorities; and State universities) must provide a resolution that authorizes the agency to enter into the agreement and is signed by a representative authorized to execute the agreement and all documents related to the award. Resolutions must include: (1) a brief description of the project; (2) the award amount; and (3) an acceptance of the award.
- **Agreement Development:** The Contracts, Grants, and Loans Office will send the Recipient a Grant agreement for approval and signature. The agreement will include the applicable terms and conditions. The Energy Commission reserves the right to modify the award documents (including the terms and conditions) prior to executing any agreement.
- **Failure to Execute an Agreement:** If the Energy Commission is unable to successfully execute an agreement with an Applicant in a timely manner, it reserves the right to cancel the pending Grant award and to fund the next highest-ranked, eligible application.

Agreement Amendment: The executed agreement may be amended by mutual consent of the Energy Commission and the Recipient. The agreement may require amendment as a result of project review, changes in project scope, and/or availability of funding.

C. GROUNDS TO REJECT AN APPLICATION OR CANCEL AN AWARD

Applications that do not pass the screening stage will be rejected. In addition, the Energy Commission reserves the right to reject an application and/or to cancel a Grant award if the following circumstances are discovered at any time during the application or agreement process:

- The Application contains false or intentionally misleading statements or references that do not support an attribute or condition contended by the Applicant.
- The Application is intended to erroneously and fallaciously mislead the State in its evaluation and the attribute, condition, or capability is a requirement of this Solicitation.
- The Application does not literally comply or contains caveats that conflict with the Solicitation, and the variation or deviation is material.
- The Application does not contain sufficient information to enable a useful evaluation to be conducted.
- The Applicant has received unsatisfactory evaluations from the Energy Commission or another California State agency.
- The Applicant is a business entity that is not in good standing with the California Secretary of State.
- The Applicant's submitted information, business history, and/or other financial and/or business information are individually or collectively: (1) insufficient to establish the reasonable likelihood that the Applicant will be able to successfully perform and complete the project, and/or (2) demonstrate an unreasonably high risk that the Applicant may not be able to successfully perform or complete the project; and that given these risk factors, awarding a Grant of public funds to the Applicant would pose an unreasonable risk to the public interest.

D. MISCELLANEOUS

1. Solicitation Cancellation and Amendment

It is the policy of the Energy Commission not to solicit applications unless there is a bona fide intention to award an agreement. However, if it is in the State's best interest, the Energy Commission reserves the right to do any of the following:

- Cancel this Solicitation;
- Revise the amount of funds available under this Solicitation;
- Amend this Solicitation as needed; and/or
- Reject any or all applications received in response to this Solicitation.

If the Solicitation is amended, the Energy Commission will send an addendum to all parties who requested the Solicitation, and will also post it on the Energy Commission's website at: www.energy.ca.gov/contracts. The Energy Commission will not reimburse Applicants for application development expenses under any circumstances, including cancellation of the Solicitation.

2. **Modification or Withdrawal of Application**

Applicants may withdraw or modify a submitted application before the deadline to submit applications by sending a letter to the CAO listed in Part I. Applications cannot be changed after the deadline to submit applications. An Application cannot be “timed” to expire on a specific date. For example, a statement such as the following is non-responsive to the Solicitation: “This application and the cost estimate are valid for 60 days.”

3. **Confidentiality**

[This section is under construction]

- ***During the Application Stage*** [Under construction]
 - The entire evaluation process is confidential, from receipt of Applications up to the posting of the NOPA. All documents are kept confidential during the application and evaluation stage.
 - Except as indicated in this section, the Energy Commission will reject any Applications that are marked confidential or identify any portion as confidential.
- ***After the NOPA*** [Under construction]
- ***During the Grant Performance Stage*** [Under Construction]

During the grant performance, the Recipient will be required to submit various documents showing Water Savings and Energy Savings along with Independent Verifiable Performance Data. Water Savings and Energy Savings and the independent reporting of performance are a public record and can be released to the public. See Grant Agreement Terms paragraph ____, for more information on confidential deliverables [products] submitted by Recipient during Grant performance.

4. **Solicitation Errors**

If an Applicant discovers any ambiguity, conflict, discrepancy, omission, or other error in the Solicitation, the Applicant should immediately notify the Energy Commission of the error in writing and request modification or clarification of the Solicitation. The Energy Commission will provide modifications or clarifications by written notice to all parties who requested the Solicitation, without divulging the source of the request for clarification. The Energy Commission will not be responsible for failure to correct errors.

5. **Immaterial Defect**

The Energy Commission may waive any immaterial defect or deviation contained in an application. The Energy Commission’s waiver will not modify the application or excuse the successful Applicant from full compliance with Solicitation requirements.

6. **Disposition of Applicant’s Documents**

Upon the posting of the NOPA, all applications and related materials submitted in response to this Solicitation will become property of the State and public records. Unsuccessful Applicants who seek the return of any materials must make this request to the Agreement Officer listed in Part I, and provide sufficient postage to fund the cost of returning the materials.

E. STAGE ONE: GRANT APPLICATION SCREENING

SCREENING CRITERIA	Pass/Fail
<i>The Application must pass ALL criteria to progress to Stage Two.</i>	
1. The Application is received by the Energy Commission's Contracts, Grants, and Loans Office by the due date and time specified in the "Key Activities Schedule" in Part I of this Solicitation.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
2. Group A and Group B projects are not contained in the same Application.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
3. The Application Form (Attachment 1) is signed where indicated.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
4. The Application is from an eligible Applicant as defined in Section II of this solicitation.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
5. The Applicant shows the project will have GHG emission reductions (Attachment 8).	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
6. The operations in which the proposed technology will be installed are located in California.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
7. The Applicant has not exceeded the maximum Grant amount as indicated in Section I.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
8. The Applicant is requesting no more than 50 percent of the eligible project cost, or no more than 75 percent of the eligible project cost for projects located and benefiting Disadvantaged Communities.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
9. The Applicant is applying for a technology that is not already funded by CDFA's SWEEP ⁴ and DWR's Water Energy Grant Programs. ⁵	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
10. The Application and all attachments do not contain any confidential information.	<input type="checkbox"/> Pass <input type="checkbox"/> Fail
11. The Applicant has not included a statement or otherwise indicated that it will not accept the terms and conditions, or that acceptance is based on modifications to the terms and conditions	<input type="checkbox"/> Pass <input type="checkbox"/> Fail

⁴ CDFA SWEEP: <http://www.cdfa.ca.gov/EnvironmentalStewardship/WEEP.html>

⁵ DWR Water Energy Grant Program: <http://www.water.ca.gov/waterenergygrant/energyApp.cfm>

F. STAGE TWO: GRANT APPLICATION SCORING

Proposals that pass ALL Stage One Grant Screening Criteria will be evaluated based on the Scoring Criteria on the next page and the Scoring Scale below. Each criterion has an assigned number of possible points, and is divided into multiple sub-criteria. The sub-criteria are not equally weighted. The Project Narrative (Attachment 4) must respond to each sub-criterion.

- The total minimum passing score is **70.00 out of 100 points**.
- The minimum passing scores for **criteria 1 is 10.5 points and for criteria 2 is 7.0 points**. The points for criteria 3-4 will only be applied to proposals that achieve the minimum score for criteria 1 and 2.

STAFF DRAFT FOR PUBLIC DISCUSSION

SCORING SCALE

% of Possible Points	Interpretation	Explanation for Percentage Points
0%	Not Responsive	<ul style="list-style-type: none"> • The response fails to address the criteria. • The omissions, flaws, or defects are significant and unacceptable.
10-30%	Minimally Responsive	<ul style="list-style-type: none"> • The response minimally addresses the criteria. • The omissions, flaws, or defects 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 omissions, flaws, or defects are inconsequential and acceptable.
80%	Good	<ul style="list-style-type: none"> • The response fully addresses the criteria with a good degree of confidence in the Applicant's response or proposed solution. • There are no identified omissions, flaws, or defects. 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 criteria 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.

STAFF DRAFT FOR PUBLIC DISCUSSION

SCORING CRITERIA

The Project Narrative (Attachment 4) must respond to each criterion below, unless otherwise indicated.

Scoring Criteria	Maximum Points
<p>1. Technology Innovation</p> <ul style="list-style-type: none"> a. Provides a clear and concise description of the Emerging Technologies in the proposed project. b. Summarizes how the proposed project will advance, supplement, and/or replace current technology. c. Identifies potential market segments who can use the technology and market potential d. Discusses the degree to which the proposed work is technically feasible and achievable. e. Provides at least six months completed Independent Verifiable Performance Data that show potential for significant GHG emission reductions, Energy Savings, and Water Savings. 	<p>15 (minimum score needed is 10.5)</p>
<p>2. Project Design and Team</p> <ul style="list-style-type: none"> a. Describes the organizational structure and history of successfully completing similar projects. b. Describes the project design and explains the key project elements needed for success, the equipment to be used, including performance specifications, and ability to complete the project within the required time frame. c. Identifies and explains any collaboration with utilities, industries, or other entities. d. References are relevant to the proposed project and substantiate the Applicant's performance (<i>include information in Attachment 9, Reference Form</i>). e. Demonstrates that the Applicant has the financial ability to complete the project, as indicated by responses to the following: <ul style="list-style-type: none"> • Does the Applicant have overdue taxes? • Has the organization ever filed for bankruptcy within the last 5 years? • Has the Energy Commission ever entered into an agreement with the Applicant that resulted in a stop work order, dispute or termination? • Has the Applicant had unpaid court judgments for overdue liens and debts within the last 5 years? • Has the Applicant ever project committed a felony or misdemeanor? 	<p>10 (minimum score needed is 7.0)</p>

STAFF DRAFT FOR PUBLIC DISCUSSION

Scoring Criteria	Maximum Points
<p>3. Water Savings</p> <ul style="list-style-type: none"> a. Provides a reasonable estimate of direct, on-site Water Savings to be achieved by the project. b. Describes a reasonable and well substantiated methodology for determining baseline water use and estimated savings associated with the technology. c. Provides realistic assumptions for estimating baseline and proposed annual water consumption and project reduction with the technology and current and proposed maintenance requirements for the affected system. d. Describes sustainability of Water Savings to provide benefits for a minimum of 5 years. e. The ratio of Grant amount to Water Savings, after consideration of 3.b. and 3c., is low relative to other Applicants. f. Provides a sufficient post-installation verification plan for Independent Verifiable Performance Data to be performed by an independent third party. 	30
<p>4. Greenhouse Gas Emission Reductions</p> <ul style="list-style-type: none"> a. Provides a reasonable estimate of GHG emission reductions resulting from on-site equipment changes to be achieved by the project. Estimate must use ARB's approved quantification methodology. b. Provides a reasonable estimate of baseline and post-installation GHG emissions using the applicable quantification methodology developed and approved by ARB, available online at: http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm. c. Provides realistic assumptions for determining proposed GHG emission reductions based on on-site equipment changes, using the applicable quantification methodology developed and approved by ARB, available online at http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm. d. Describes sustainability of GHG emission reductions e. Discusses and quantifies any other co-benefits that are not Water Savings, Energy Savings or GHG emission reductions. f. Ratio of Grant amount to GHG emission reduction, after consideration of 4.a. and 4b, is low relative to other Applicants. g. Provides a sufficient post-installation verification plan for Independent Verifiable Performance Data to be performed by an independent third party. 	35
<p>5. Disadvantaged Communities</p> <ul style="list-style-type: none"> a. Indicate that the project is located in a Disadvantaged Community and will provide direct, meaningful and assured benefits to a Disadvantaged Community. b. Identify census tracts for project location, location of communities receiving jobs, and communities receiving water and energy benefits as a result of project implementation. c. Indicate which Disadvantaged Community(ies) will benefit. d. Explain how the project will benefit Disadvantaged Communities based in one of the following areas: 	10

STAFF DRAFT FOR PUBLIC DISCUSSION

Scoring Criteria	Maximum Points
<ul style="list-style-type: none">• Project provides water and energy use efficiency incentives or other services that reduce energy used by water users (e.g., residential, commercial, agricultural) with a physical address in a Disadvantaged Community.• Project improves, repairs, or replaces water system infrastructure resulting in water and energy savings in a Disadvantaged Community.• Provides a reasonable estimate of direct, on-site GHG reductions to be achieved by the project using ARB's approved quantification methodology.	
Total Possible Points (Minimum Passing Score is 70)	100
Total Possible Points (Minimum Passing Score is <u>70</u>)	100

DRAFT